



FOLIDAY 复星旅文

2021

ENVIRONMENTAL  
SOCIAL AND GOVERNANCE REPORT



CREATE A HAPPY & SUSTAINABLE  
FOLIDAY LIFE

复星旅游文化集团 FOSUN TOURISM GROUP

A company incorporated under the laws of the Cayman Islands with limited liability

(Stock Code: 01992.HK)



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# About the Report

## ● Background

The Report is the fourth annual *Environment, Social and Governance Report* issued by Fosun Tourism to disclose the Company's strategies, objectives and performance on ESG issues. The Report covers the ESG performance during the financial year from 1 January 2021 to 31 December 2021. Description in some parts dates back to previous years or cover the first quarter of 2022.

## ● Scope of the Report

Unless otherwise specified, the scope of the Report is consistent with that of the Company's annual report for the Reporting Period (hereinafter referred to as "2021 Annual Report"), covering Fosun Tourism and its subsidiaries. The scope of environmental data includes all Club Med resorts that have been in operation for at least one season<sup>1</sup> and Atlantis Sanya.

## ● Standards of the Report

The Report is prepared in compliance with the *ESG Reporting Guide*, and the core option of the *GRI Standards*.

The content of the Report has been determined in accordance with a set of systematic procedures. The relevant procedures include: identifying and ranking material stakeholders, identifying and ranking material ESG-related issues, determining the boundaries of ESG report, collecting relevant materials and data, preparing reports based on information, and reviewing the information in the Report.

The Report is prepared in accordance with the following reporting principles required in the *ESG Reporting Guide*:

**"Materiality"**: Key stakeholders were identified and key ESG topics were determined through stakeholder engagement and materiality assessment in the course of the Report preparation.

**"Quantitative"**: The Report uses quantitative data to present key performance indicators at the environmental and social aspects, explaining its purpose and impacts. We also provide comparative data on key performance indicators in the Report.

**"Consistency"**: The statistical methods used in the Report is consistent with those used in the *Environmental, Social and Governance Report 2020*. Some data methods have been adjusted.

**"Balance"**: The Report follows the principle of "Balance" and objectively demonstrates the Group's ESG management status.

## ● Information Source and Reliability Warranty

The materials and cases in the Report mainly come from the Group's statistical reports and related documents. The Group undertakes that there is no false record or misleading statement in the Report, and bears responsibility for the truthfulness, accuracy and completeness of its content.

## ● Confidential and Approval

The Report was approved by the Board on 21 March 2022 upon confirmation by the Management.

## ● Report Access and Response

The report, in both English and traditional Chinese versions, is available on the Hong Kong Stock Exchange's website (<http://www.hkexnews.hk>) or Fosun Tourism's official website ([www.fosunholiday.com](http://www.fosunholiday.com)).

We value the opinions from stakeholders and welcome any feedback through the following contact details. Your opinions will help us further improve the Report and enhance the Group's overall performance on sustainable development.



Email: [foliday.esg@fosun.com](mailto:foliday.esg@fosun.com)

Mail: 16/F, Tower 1, No.118 Feihong Road, Hongkou District, Shanghai, PRC

<sup>1</sup> Club Med resorts are classified as permanent, seasonal and bi-seasonal in terms of operating period. Permanent resorts open all year long. Seasonal resorts open in either the summer season or the winter season of each year. Bi-seasonal resorts open in the summer season and the winter season of each year.

# Chairman's Statement

"COVID-19 has prompted our deep reflection on environmental issues. As the pandemic is grinding to a halt, consumers' post-COVID-19 tourism features a greater focus on green health, safety and hygiene. To establish a new sustainable model of business for the cultural and tourism industry, Fosun Tourism, as the leader in the leisure tourism industry for families worldwide, set our sustainable development vision and goal of "Creating a Happy & Sustainable Holiday Life" this year, with a view to becoming the world's top sustainable tourism and leisure group."

Chairman *Qian Jiannong*



A journey of a thousand miles begins with a single step. This year, we strengthened our corporate sustainable development governance structure and approved the 2030 Sustainable Development Goals, which led us to make changes in a number of areas, such as reducing greenhouse gas emissions, implementing sustainable procurement in our business operations and project development, and improving the well-being of our employees. We are delighted that our efforts have been recognized by the capital markets. We have been selected as a constituent of the Hang Seng Corporate Sustainability Benchmark Index and awarded an "AA" rating by MSCI ESG.

Upon the resumption of work and production, we responded quickly to changes in consumers' pent-up demands, while safeguarding the health and safety of our customers and employees. We also launched a customer satisfaction campaign to develop the best experience for our customers and enhance our protection of user privacy in an all-round way. In addition, we further implemented the supply chain ESG management, committed to building a sustainable supply chain.

We always uphold the concept of a global community of shared future. To tackle climate change, the Group systematically pushes forward with carbon reduction and actively manages climate-related risks and opportunities. Meanwhile, we are devoted to minimizing the Group's negative impact on the environment and natural resources by adopting a whole life cycle approach to our investment planning, asset design, construction and business operations. Furthermore, we have set ambitious carbon reduction targets to enhance climate resilience and lower our impact on climate change. On 18 October 2021, Atlantis Sanya, our one-stop integrated tourism resort destination, was awarded a carbon neutrality certificate by the China Quality Certification Centre (CQC), becoming the first hotel in Hainan Province to receive the certificate among tourism enterprises. In addition, most of our hotels and resorts have also been awarded a range of sustainable tourism or green building certifications. In the future, we will throw our full weight to create a green, ecological, environmental-friendly and sustainable resort for a new era.

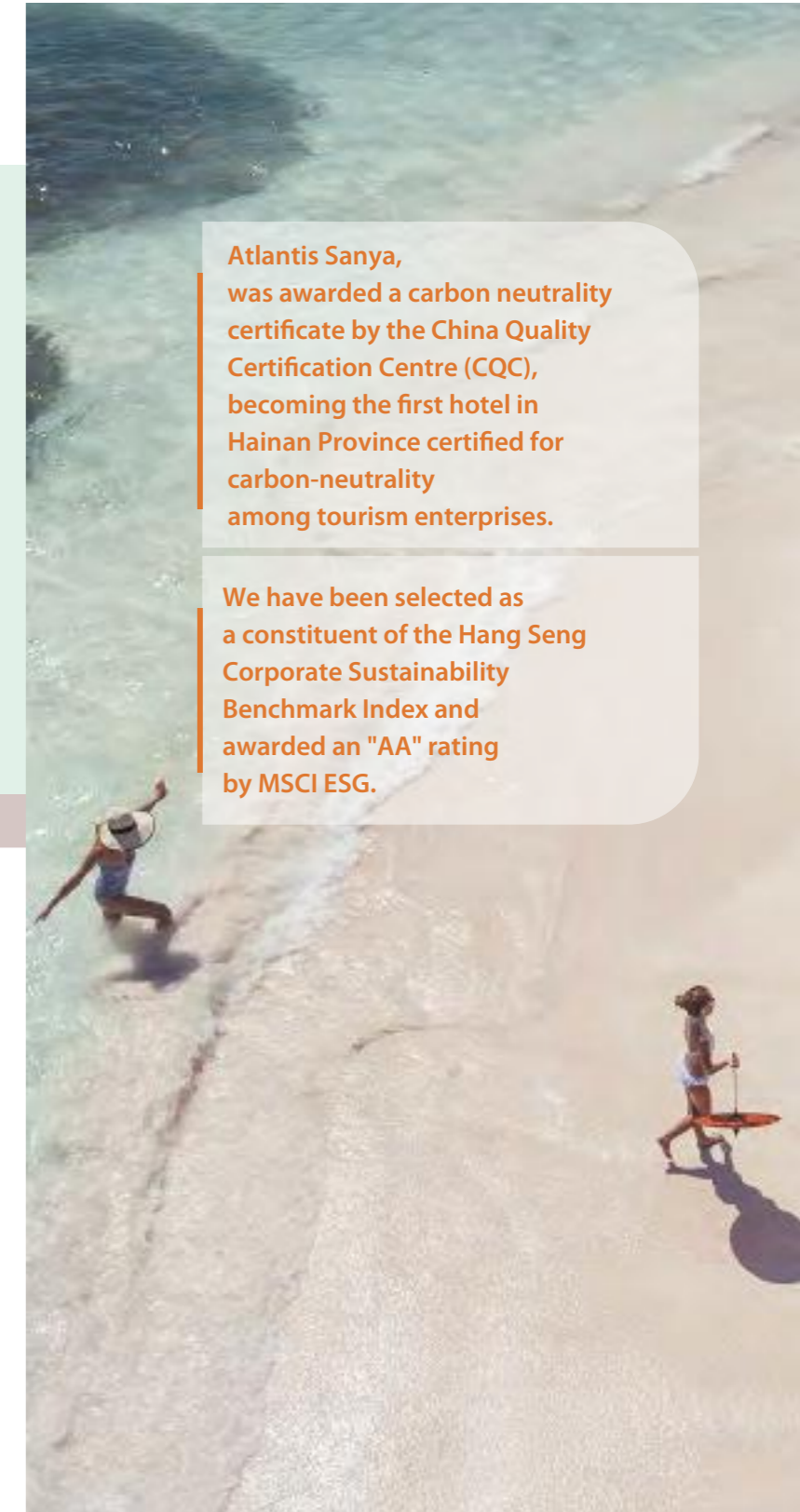
As a globally operating company, it is essential for us to develop an international team. We have made strenuous efforts to create a diverse, equitable and inclusive working environment, while investing resources to attract and nurture global talents.

We also advocate and advance sustainable development in our communities. Relying on the industrial ecosystem, we pay active attention to the demands of villages, communities and cities, and continue to promote the deep integration of urban and rural industries, thus striving to achieve the transformation from a public welfare practitioner to a leader.

Fosun Tourism will always adhere to the principle of sustainable development at a time of profound changes of a scale unseen in a century. Focusing on globalization, high quality, digitalization and ecology, we dedicate to providing more products on the supply side for consumers to pursue the quality of life in the future, and to make steady progress towards sustainable development.

Atlantis Sanya, was awarded a carbon neutrality certificate by the China Quality Certification Centre (CQC), becoming the first hotel in Hainan Province certified for carbon-neutrality among tourism enterprises.

We have been selected as a constituent of the Hang Seng Corporate Sustainability Benchmark Index and awarded an "AA" rating by MSCI ESG.







## Board Statement

The Board and all Directors guarantee that the information in the Report does not contain any false records, misleading statements or material omissions, and make the following statements regarding the ESG supervision and management of the Board:

The Group has established a governance structure to strengthen its ESG-related work. The Board bears ultimate responsibility for the Group's ESG strategy and reporting, and comprehensively oversees related risks and opportunities. In order to implement sustainable development and effectively manage ESG issues, the Company has established the ESG Committee to assist the Board in overseeing and promoting the implementation of various ESG strategies. In addition, the Company has set up the ESG Working Group to assist the Board in identifying and prioritising significant issues. The Team also reports regularly to the Board on the effectiveness of the ESG system and the Group's performance in environmental and social key performance indicators. For details, please refer to the [Sustainable Development Governance](#) section of the Report.

In 2020, the Company conducted extensive and in-depth communication with key stakeholders through various channels to identify issues concerned and actively adopted constructive comments and suggestions. During the Reporting Period, the Company invited internal stakeholders to review and update various issues and continued to respond to major issues. The Board and the ESG Committee have actively managed the priority issues identified, and highlighted the approach to these issues in the Report. For details of the management approach and strategy, please refer to the [Sustainable Development Strategy](#) section of the Report.

The Company has formulated sustainable development strategy and goals to review and manage the Group's ESG impacts and integrate the concept of sustainable development into relevant operating levels. On a regular basis, the ESG Committee reviews the ESG strategy and goals as well as progress and achievements. For details of review on the goals, please refer to the [2030 Sustainable Development Goals and Progress](#) section of the Report.

Going forward, the Board will continue to monitor and refine the Group's sustainable development initiatives and performance, so as to devote ourselves to creating long-term value for all stakeholders and the communities in which we operate.



# Performance Highlights

## Economic

### Financial performance



### Disclosure and report

#### HKQAA Sustainability Rating

In 2021, Fosun Tourism was selected as a constituent of the Hang Seng Corporate Sustainability Benchmark Index for the first time, with a rate of "A".



#### MSCI ESG Rating

In 2021, Fosun Tourism was awarded an "AA" rating by MSCI ESG.



## Environmental

- Energy Consumption Intensity (by revenue) **483.41** kWh/RMB 10,000 of Revenue decreased by **8%** compared to 2020
- GHG Emission Intensity (by revenue) **191.85** kgCO<sub>2</sub>e per 10,000 RMB decreased by **18%** compared to 2020
- Freshwater Consumption Intensity (by revenue) **5.93** m<sup>3</sup> per 10,000 RMB decreased by **32%** compared to 2020
- **100%** of Club Med villages that are opened or in construction in 2021 are eco-certified or in process (including BREEAM or equivalent)
- **94%** of eligible<sup>2</sup> Club Med resorts are Green Globe certified
- Atlantis Sanya was awarded the carbon neutral certificate by the China Quality Certification Centre (CQC)

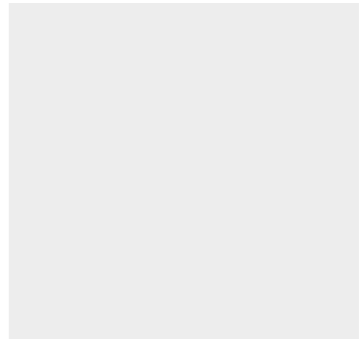
## Social

- Overall average customer satisfaction rate: **93%**
- Completion rate of customer complaint handling: **100%**
- **Zero** significant privacy data leakage case
- Total number of employees: **10,263**
- Proportion of female employees: **44%**
- **100%** of employees receive regular performance and career development reviews.
- Total number of training hours for employees: **335,555** hours
- Employee training rate: **100%**
- Fosun Tourism partners<sup>3</sup>: **35** of which **14** are female partners, accounting for **40%**
- **82%** of operational suppliers in China received ESG assessments conduct by the Group headquarters
- Accumulative resources invested in public welfare is about RMB **3.16** million, and accumulative time invested in public welfare is over **1,100** hours.

<sup>2</sup> Eligible resorts include all resorts between one year after opening and two years before closing.

<sup>3</sup> It is different from the legal concept of "partner" in partnership enterprises.





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# About Us

## Our Business

### About Fosun Tourism

Fosun Tourism Group (also known as FOLIDAY) is one of the world's leading leisure-focused integrated tourism groups, and the largest leisure tourism resorts group worldwide (according to the industry report issued by the independent international consulting company Frost & Sullivan in 2019). The Group was listed on the Main Board of the Hong Kong Stock Exchange in 2018 (01992.HK). It is an integral part of Fosun's Happiness Ecosystem, one of its four strategic business units - Health, Happiness, Wealth and Intelligent Manufacturing. For the year ended 31 December 2021, the Group achieved revenue of approximately RMB 9,261.5 million, adjusted EBITDA of approximately RMB 248.3 million and total assets of approximately RMB 37,284.7 million.

Focusing on the leisure needs of families around the world, we advocate the lifestyle of "Everyday is FOLIDAY", integrate the increasingly diversified concepts of tourism and leisure into our daily life, and provide customers with customized one-stop solutions through our full-cycle, globalization, full-industry chain C2M ecosystem.



**Vision** 

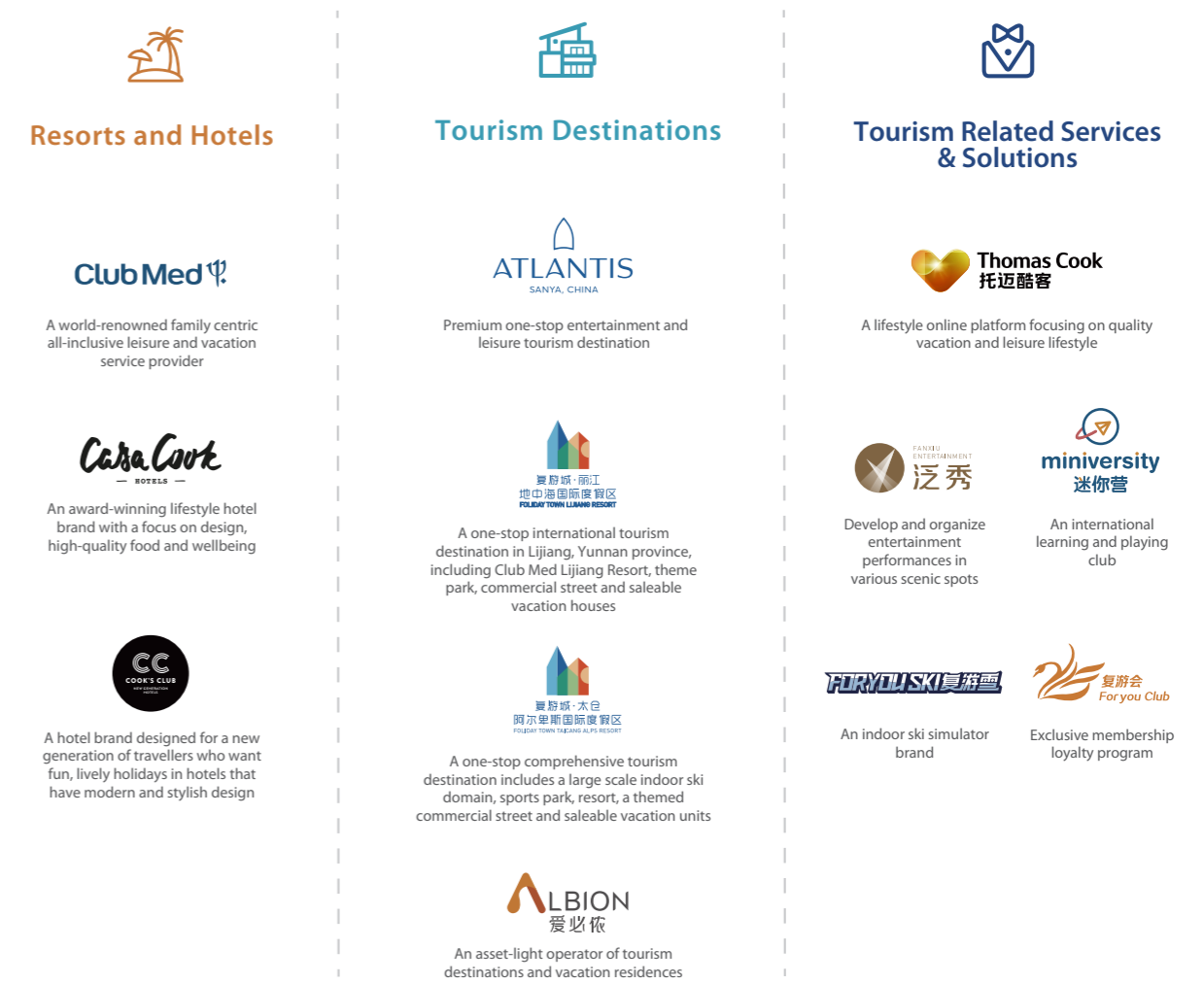
Bring Greater Happiness to Global Families

**Mission** 

FOLIDAY is dedicated to establishing "FOLIDAY" as a recognized synonym with a family-focused leisure tourism experience; our lifestyle proposition, "Everyday is FOLIDAY", seeks to infuse continuously evolving high quality and concepts of tourism and leisure into everyday living.

### Business Overview - FOLIDAY Tourism Ecosystem

The Group's businesses cover three main segments, namely resorts, tourism destinations and leisure services, and tourism related services and solutions.







## Awards and Honours



In 2021, Fosun Tourism was selected as a constituent of the Hang Seng Corporate Sustainability Benchmark Index for the first time, with a rate of "A".



In 2021, Fosun Tourism was awarded an "AA" rating by MSCI ESG.

Award/Recognition	Award Issuing Authority	Brand/Resort Entity/Tourism Destination Receiving Award
Dragon Sparrow Award-Best Cultural Tourism Listed Group	Tripvivid	Fosun Tourism
"Best Big Spending and Services Company" - "The 5th Annual Golden Hong Kong Stock Awards Ceremony"	Co-organized by Zhi Tong Finance, the Hong Kong and the US stock information platform, and Straight Flush	Fosun Tourism
Institutional Investor magazine's 'Respected Company' award for 'Best Management Team in Asia'	<i>Institutional Investor</i>	Fosun Tourism
The 12th China Cultural Tourism Awards List - "Best Cultural Tourism Group"	China Cultural Tourism Awards Selection Committee	Fosun Tourism
2021 Ctrip Premier Contribution Partner	Ctrip	Fosun Tourism
ESG Pioneer 60 Corporate ESG Practice of the Year Award	Jiemian.com	Fosun Tourism
2021 Sina Financial Golden Kirin Award for Best Small and Mid Cap Listed Company in Hong Kong and US	Sina Finance & Valuable Capital Limited	Fosun Tourism
Top 20 Chinese Tourism Groups in 2021	China Tourism Research Institute & China Tourism Association	Fosun Tourism
Golden Bauhinia Award-Best Listed Investor Relations Company	Hong Kong Ta Kung Wen Wei Media Group	Fosun Tourism

Award/Recognition	Award Issuing Authority	Brand/Resort Entity/Tourism Destination Receiving Award
The Recommended Hotel	<i>Forbes Travel Guide</i>	Atlantis Sanya
Best Spa Annual spa-AHAVA SPA	2021 China Hotel Awards	Atlantis Sanya
Best restaurant -Crab kitchen	2021 China Hotel Awards	Atlantis Sanya
Best Vlog Account	2021 China Hotel Awards	Atlantis Sanya
Top 10 Glamorous Hotels of China	China Hotel Starlight Awards	Atlantis Sanya
The Most Recommended Bar -Tikki Lounge & Bar	2021 Enjoyable Travel Awards	Atlantis Sanya
Annual Must Eat Crab Restaurant -Crab kitchen	2021 Enjoyable Travel Awards	Atlantis Sanya
Singaporean Restaurant of the Year -Crab kitchen	2020-2021 Highlights Awards	Atlantis Sanya
The City Lights Hotel	5th Hotel Discovery Awards	Atlantis Sanya
The Best Japanese Food Restaurant -Netsu restaurant	5th Hotel Discovery Awards	Atlantis Sanya
Bread Street Kitchen & Bar - Diamond Restaurant	Trip.com Gourmet Awards. Kitchen & Bar	Atlantis Sanya
Best Asian Restaurant Award -Tikki Lounge & Bar	<i>Restaurant Review</i>	Atlantis Sanya
Annual Reader's Choice Award-Crab kitchen	<i>Restaurant Review</i>	Atlantis Sanya
Annual Reader's Choice Award -Tang restaurant	<i>Restaurant Review</i>	Atlantis Sanya
2021 Annual Parent-child Hotel	<i>2021 JieMian Guidebook</i>	Atlantis Sanya
Best City Landmark Resort	<i>Fashion Travel</i>	Atlantis Sanya
Best Western Restaurant -Bread Street Kitchen & Bar	<i>Fashion Travel</i>	Atlantis Sanya
Best Chinese Restaurant-Tang	<i>Fashion Travel</i>	Atlantis Sanya
Annual Influential Wedding Hotel Brand	Youzi Wedding	Club Med Joyview Anji Resort

Award/Recognition	Award Issuing Authority	Brand/Resort Entity/Tourism Destination Receiving Award
2021 New Hotel Award	City Traveler	Club Med Lijiang Resort
2021 New Hotel Award	iyoyo.com.cn	Club Med Lijiang Resort
2021 Best MICE Hotel	iyoyo.com.cn	Club Med Joyview Anji Resort
Most Anticipated Resort of the year Recognition	Southcnxhehemu	Club Med Lijiang Resort
Annual Outstanding Hotel General Manager	Southcnxhehemu	Mr. Frank Li-Club Med Joyview Beijing-Yanqing Resort
2021 Best New Opening Hotel in China	21st Century Business Herald	Club Med Lijiang Resort
2021 Best Parenting Hotel in China	21st Century Business Herald	Club Med Joyview Anji Resort
2021 Best Hotel Manager of the Year in China	21st Century Business Herald	Fei Guan- Club Med Joyview Anji Resort -General Manager
2021 Most Popular Hotel Brand in China	21st Century Business Herald	Club Med
Golden Awards	<i>Traveler</i>	Club Med Joyview Beijing-Yanqing Resort
Best Destination Hotels	<i>Enjoyable Travel</i>	Club Med Joyview Beijing-Yanqing Resort Club Med Joyview Golden Coast
Premium Family Hotels	Hotel Discovery	Club Med Joyview Beijing-Yanqing Resort
China Premium Traveler MICE Hotel of the year	Platinum Traveller	Club Med Joyview Beijing-Yanqing Resort
2021 Best Holiday Hotel Award	Life Element	Club Med Joyview Beijing-Yanqing Resort Club Med Joyview Golden Coast
2021 Best Meeting Hotel of the Year Award	MICE	Club Med Joyview Beijing-Yanqing Resort Club Med Joyview Golden Coast
2021 Best Parenting Hotel Award	MICE	Club Med Sanya Resort
2021 Best Newly Opened Hotel of the Year	MICE	Club Med Lijiang Resort
2021 Most Anticipated New Hotel Opening	MICE	Club Med Changbaishan Resort
Most Anticipated Resort of the year	<i>Voyage</i>	Club Med Lijiang Resort



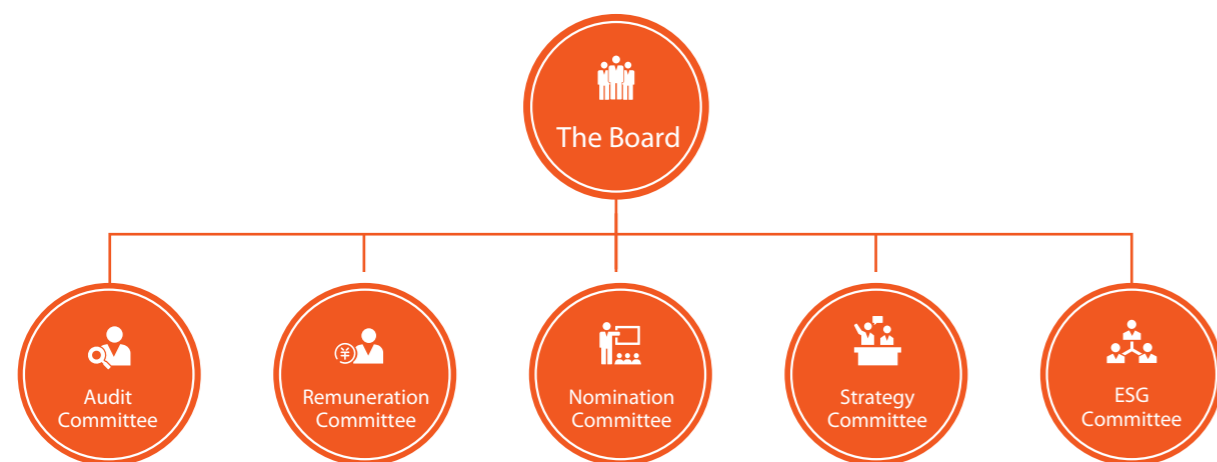
## Corporate Governance

The Group is committed to improving the corporate governance system and procedures and building a diversified governance structure to protect the significant interests of the stakeholders. Besides implementing comprehensive risk control within the Company, we are also constantly improving our business ethics and compliance management to ensure that the Company operates in a sound and efficient manner.



## Corporate Governance

The Group believes that a high level of corporate governance is the basis for protecting shareholders' interests and enhancing corporate value as well as shouldering more responsibilities. We have applied and fully complied the principles and provisions of the Corporate Governance Code set out in Appendix 14 to the Listing Rules, and regularly review our corporate governance performance. We also provide comprehensive on-the-job trainings for directors to ensure that they have a full understanding of the Group's businesses and operations as well as their duties and obligations under the Listing Rules and regulatory requirements.



For the terms of reference of the Company's Board and its committees, please refer to the *Corporate Governance* Page on the Company's website.

### ■ Diversified governance

We set up a diversified governance structure to ensure that the Board is composed of directors with highly relevant skills, professional experience and backgrounds, who hold diverse views and effectively represent the long-term interests of our shareholders.

In accordance with the Company's policy on diversity, all appointments of directors are made on the basis of merit with due regard to the benefits of diversity on the directors. Selection will be based on a range of diversified criteria, including but not limited to gender, age, cultural and educational background, experience (profession or others), skills and knowledge. The ultimate decision will be made according to the candidate's strengths and possible contributions to the Board. As of the end of the Reporting Period, one female director was appointed to the Board; one or more of Directors had experience in risk management, finance and relevant industries.

For details of corporate governance, please refer to the *Corporate Governance Report* of the Group's 2021 Annual Report.



#### Supplementary information

*Corporate Governance* page on the Company's website  
2021 Annual Report of Fosun Tourism

## Risk Management

The Group strictly abides by the *Company Law of the PRC*, the *Audit Law of the PRC*, and other applicable laws and regulations, the *Corporate Governance Code of the Stock Exchange of Hong Kong Limited* as well as the Company's *Articles of Association*. The Company has established an effective comprehensive risk management and control mechanism to ensure that the Group maintains a sound and effective risk management, and is fostering a group-wide risk culture.

### ■ Risk governance structure

The Group has established a robust comprehensive risk management and control mechanism with reference to the COSO (Committee of Sponsoring Organizations of the Treadway Commission) risk management framework, which covers the following three basic elements:

- Our risk management policy, the *Guidelines for Comprehensive Risk Management of Fosun Tourism Group*, and corresponding internal supervision requirements guide the Group, its core subsidiaries and incubated companies to carry out six kinds of comprehensive risk management with respect to risk identification, risk assessment, risk response, risk management supervision and improvement, risk management communication and risk management culture construction, so as to ensure consistency with the Group's strategy. At least annually, we review and update, as necessary, our key comprehensive risk management systems.
- We have established a dedicated risk management organizational structure, consisting of organs with specific functions and responsibilities relating to risk management, which are responsible for monitoring and managing risks affecting the Group.

Body	Responsibilities
The Board	As the highest decision-making organ for comprehensive risk management, the Board assumes the ultimate responsibility for the completeness and effectiveness of the comprehensive risk management system. The Board is responsible for approving the Group's overall risk management goals, risk appetite, risk limits, risk management strategy, risk management policies, systems and procedures, etc.
Audit Committee	The Audit Committee is responsible for overseeing the effectiveness of internal control and risk management system according to the authorisation of the Board.
Risk Control Center	The Risk Control Center performs comprehensive risk management, including implementing policies and processes of comprehensive risk management, establishing intra-group emergency mechanism for major risks and promoting risk management culture construction of the Company.



We have established "four lines of defence" for risk management, separating and guaranteeing the function independence of our risk management system, thus ensuring comprehensive and integrated risk management in the Company.

- The first line of defence** consists of all business units, which identify, assess, respond to, monitor and report risks at the business front end.
- The second line of defence** consists of functional departments including Legal Department, EHSQ Management Department, Risk Management Department, Operation Supervision Department, etc. They implement risk management and monitoring through executing a series of risk management procedures.
- The third line of defence** is the Internal Audit, which regularly reviews and evaluates the adequacy and effectiveness of comprehensive risk management.
- The fourth line of defence** is the Anti-Corruption and Supervision, which conduct independent supervision and evaluation against enterprise risk management through integrity management and anti-corruption and reporting case investigation.



### Risk management culture development

Together with subsidiaries, we have integrated risk management culture into the whole process of building corporate culture and created a risk management culture atmosphere at all levels within the Group. Through continuous revision and improvement of risk management systems and processes, we strengthen the organizational construction of risk management in a constant way and study on how to set up a risk management system. As a result, we manage to ensure the achievement of our risk management goals. At the same time, we put more efforts in the risk management awareness campaign for all employees by establishing and improving the system for risk management training and education before and during their employment.

#### "Risk Control at the Top" Compliance Week

In October 2021, the Company held the "Risk Control at the Top" Compliance Week and organized employees to participate in activities such as lunchtime sharing sessions, online courses and compliance challenges, so as to promote compliance knowledge, compliance awareness and good corporate governance principles. The main training sessions included "How to Avoid Insider Trading", "Compliance Considerations for Investing in Shares of US Listed Companies", and "Compliance Points and Case Interpretations for A-share Secondary Market Securities Investment".

## Public Opinion Monitoring

The Company has established a Crisis Command Committee to co-ordinate the Company's management over crisis and public opinion issues. A Daily Emergency Response Team is set up under the Crisis Command Committee to take on the responsibility for monitoring daily public opinions on the Internet; analysing, researching and determining countermeasures, treatment plans and recovery plans for the Company's public opinion crisis; and supervising the implementation of crisis response measures.

The Company has formulated the *Fosun Tourism Group Emergency Response & Reporting Management Program*, with the aim of making a positive, honest and responsible assessment and responding to the causes, possible trends and impacts of a crisis at the fastest possible time. This Program guides and strengthens the ability of each department to make decisions and responses based on the evolution of a crisis. We also give training to our employees to enhance their crisis management awareness and crisis response capabilities.

During the Reporting Period, there were no significant incidents related to ESG crises in the Group.





## Code of Conduct and Compliance

### Anti-Corruption and Business Ethics

We attach great importance to integrity management and have a "zero tolerance" stance on all forms of bribery and corruption. The Board is ultimately responsible for anti-corruption and business ethics. By continuously improving the business ethics management organization system, opening up channels for complaints and whistle-blowing, and reinforcing the construction of an internal integrity culture, we are dedicated to building a clean ecosystem for the entire group.

On the basis of strict compliance with the *Company Law of the PRC* and other relevant PRC laws and regulations, as well as applicable laws and regulations of overseas operating locations, the Group has formulated the *Fosun Tourism Group Anti-Fraud Policy*, which includes *Management Measures for Integrity Risk Assessment and Red, Yellow and Green Lights*, *Integrity Management Regulations and Management Measures for the Acceptance of Gifts for Business Activities*, etc. In addition, the Group conducts regular revision in accordance with the latest laws and regulations to ensure effectiveness of these policies. Moreover, all employees and suppliers are required to sign the *Commitment to Integrity and Integrity Agreement* respectively, and to attend our periodical employee integrity training and supplier business ethics training, so as to push forward the integrity of all employees and integrity cooperation with suppliers.



#### Supplementary information

*Fosun Tourism Group Anti-Fraud Policy*

### ■ Daily supervision management

The Company's Risk Management Department conducts annual inspections on relevant businesses based on the materiality and risk level, and carries out annual anti-corruption and business ethics audits on key businesses where corruption is prone and probable to happen, such as in procurement and sale, thereby strengthening the management and supervision on business ethics of the subsidiaries. During the Reporting Period, the annual inspection covered 100% of the Group's key core enterprises included in the annual inspection plan.

In order to tighten the management and supervision on the integrity performance of employees in important positions, the Group has formulated the *Fosun Tourism Regulations on the Declaration of Conflict of Interest Matters for Important Positions*, which requires all employees in important positions to declare potential conflict of interest matters and sign a notification letter when they join the Group, and declare such matters on a yearly basis afterwards.



#### Supplementary information

*Fosun Tourism Group Code of Conduct*

### ■ Code of conduct

Whether Fosun Tourism can grow in a healthy and sustainable way and whether Fosun Tourism can achieve the mission depend on each employee's compliance with legal requirements and ethical standards, as well as their practice of Fosun Tourism's mission and values. *Fosun Tourism Group Code of Conduct* provides a reference for employees to abide by core values and assists them in making correct choices in their business activities. The *Code of Conduct* includes business ethics, social care and environmental protection, whistle-blowing, employee diversity and respect, etc. The Group regularly reviews and revises the *Code of Conduct* to ensure its compliance with the laws and regulations in force.

All employees are required to abide by the *Code of Conduct*, and the orientation training for all employees contains the *Code of Conduct* and anti-bribery topics.

### ■ Whistle-blowing and compliant management

The Group has always been adhering to the values of integrity and compliance, committed to creating an open and honest communication environment, and guiding business practices with the highest standards. The Group formulated the *Fosun Tourism Group Anti-Fraud Policy*, and established clear reporting channels and a systematic investigation mechanism. Whistle-blower can report to the Group's Anti-corruption and Supervision of Risk Management Department by email, phone, letter, appointment or through the Integrity Whistle-blowing Platform.



#### E-mail

Foliday\_compliance@fosun.com



#### Tel.

021-23156857



Integrity Whistle-blowing Platform



#### Letter

Anti-corruption and Supervision,  
Fosun Tourism Risk Management Department, 16/F, Tower 1,  
No.118 Feihong Road, Hongkou District, Shanghai, 200086 PRC.

We encourage all employees within the Group, suppliers and other partners to actively make good-faith report and complaint about fraud and unethical behaviour that they have discovered or been informed of. We strictly follow relevant provisions of the *Protection and Incentives for Whistle-blower and Witnesses in the Fosun Tourism Group Anti-Fraud Policy* on the *Measures*, and adhere to the principle of confidentiality throughout our whistle-blowing investigation work. We also strictly keep the personal information of whistle-blowers and witnesses and all reports and evidence provided by them confidential and free from being leaked and lost in the process of acceptance, registration, storage and investigation. The Group has also formulated the anti-retaliation policy to strictly protect good-faith whistle-blowers and relevant witnesses from being treated unfairly for their provision of evidence.

#### Measures for the Protection for Whistle-blower and Witnesses

##### List of Whistle-Blowers and Witnesses That Need Special Protection

We have put in place an "List of Whistle-Blowers and Witnesses That Need Special Protection" for the sake of employees, suppliers and partners who have made the reporting in their real names and provided the real evidence, which is managed by the Risk Management Department. Such List shall not be disclosed to any other organs, departments and individuals without approval or authorization from the Board. In case that employees from Fosun Tourism, subsidiaries, incubated companies and investees are included in the List, priority shall be given to their salary increase, excellent staff selection and promotion.

##### Anti-retaliation System

We have, on a regular basis, paid high attention to the position adjustment of whistle-blowers and witnesses. The Risk Management Department is responsible for following the updates of the implementation of protective measures as the case may be, so as to eradicate exclusion, retaliation and false charge for their actions. Whistle-blowers and witnesses who are subject to retaliation or frame-up are entitled to give feedback to the Risk Management Department, who will make appropriate treatment in accordance with laws and regulations and take appropriate measures to further protect whistle-blowers and witnesses.

Upon receipt of the reporting information, the reporting evaluation team, which consists of members from the Group's Legal Department, Risk Management Department, Human Resource Department and Finance Department, is responsible for assessing and deciding whether to accept or not. If a reporting case is accepted, investigators from Risk Management Department will be arranged to conduct related investigations in accordance with the principle of fairness, justice and confidentiality for related parties, ensuring that appropriate channels and resources are used during the investigation. All reporting and related information will be kept in accordance with the file management regulations of Fosun Tourism.

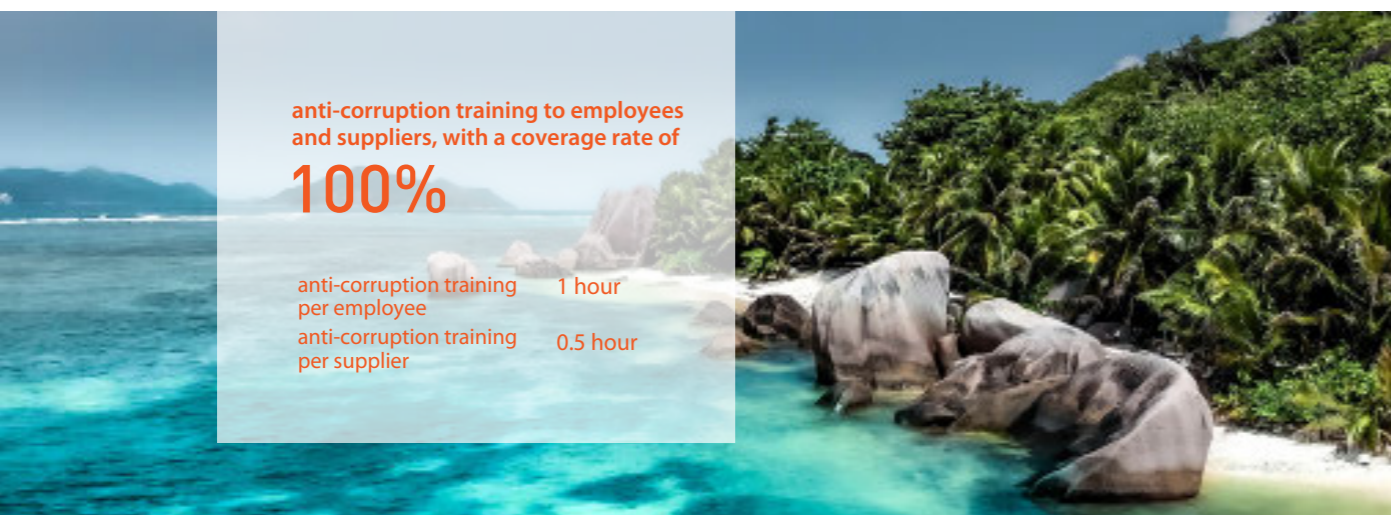
During the Reporting Period, the Group received and investigated a total of 10 reporting cases. Three employees were disciplined or dismissed for violating the Company's anti-corruption policy. There were no cases confirmed for corruption and bribery, and no litigation cases filed and concluded for corruption. During the Report Period, the Group was not subject to external anti-corruption investigation or punishment.



### ■ Integrity culture construction

We attach great importance to cultivating an integrity culture, with the focus on forming an atmosphere featuring integrity and good faith business operation and strengthening our staff and suppliers' awareness of honoring integrity while working and doing business. We require all employees (including part-time employees) and suppliers to receive regular trainings on our anti-corruption courses. During the Reporting Period, we organized a series of integrity training sessions, including the integrity training of new hires, annual compliance week, posters, compliance mailings as well as other targeted trainings.

During the Reporting Period, the Group conducted anti-corruption training to employees and suppliers, with a coverage rate of 100%. The average length of anti-corruption training per employee and supplier reached 1 hour and 0.5 hour respectively.



### Training on Integrity Topics

In December 2021, the Group conducted an integrity awareness training for all employees at the headquarters to raise integrity awareness through peer case sharing, online courses and examinations. All employees were required to pass the online examination. In addition, in April and July 2021, the Group also carried out integrity awareness sessions for employees at director or above levels, engaged in the Group's key projects, namely Taicang FOIDAY Town and Lijiang FOIDAY Town.



### Anti-Money Laundering and Anti-Unfair Competition

The Group attaches great importance to anti-money laundering and anti-terrorism financing (hereinafter referred to as "anti-money laundering"). As a responsible global corporate, we comply with the *Anti-Money Laundering Law of the PRC* and other laws and regulations on anti-money laundering in the countries or regions where we operate and the guidelines or requirements of relevant competent authorities and international organizations, and actively assist and cooperate with the anti-money laundering institutions in the countries or regions where we operate. The Group have formulated the *Anti-Money Laundering Guidelines* to instruct the Company and subsidiaries to carry out anti-money laundering in accordance with regulations to promote the Group's steady operations in accordance with laws and regulations. During the Reporting Period, there were no material violations of anti-money laundering laws and regulations in the Group.

We strictly comply with the laws and regulations of the PRC and other countries where we manage or invest, including the *Law of the PRC Against Unfair Competition*, the Group actively maintains healthy economic development, and encourages and protects fair competition to avoid unfair competition. During the Reporting Period, we revised the terms of the contract template for channel distributors or dealers to prohibit unfair competition. During the Reporting Period, there were no material violations of anti-unfair competition laws and regulations in the Group.

### Protection of Intellectual Property Rights

As globalization deepens and Fosun Tourism's global strategy advances, we have pushed ahead with innovation and intellectual property protection in an all-round way and envision to promote the digital transformation and upgrading of our services to create diversified values and spur creativity in the cultural tourism sector.

The Group abides by the *Patent Law of the PRC*, the *Trademark Law of the PRC*, and other intellectual property-related laws and regulations in the countries or regions where we operate. We have also formulated the *Fosun Tourism Regulation on the Administration of Information Safety*, in which stipulations to safeguard the Company's trademarks and legitimate intellectual property interests are clearly laid out. Regarding the third-party infringement, we have taken legal actions to safeguard our interests.

We own IP assets of such brands including Thomas Cook, Casa Cook, Cook's Club and other related brands. Meanwhile, our diversified holiday resorts and hospitality services have helped us optimize Holiday ecosystem. During the Reporting Period, we had 249 authorized trademarks. Our total authorized trademarks numbered 2,983.

We have also provided training on IP-related regulatory affairs for all our staff in order to raise awareness of the entire Group and enable us to set an example in IP protection. During the Reporting Period, there were no significant litigations for infringement of property rights (including abuse of dominant position, counterfeiting and piracy).







# 02

## Sustainable Governance

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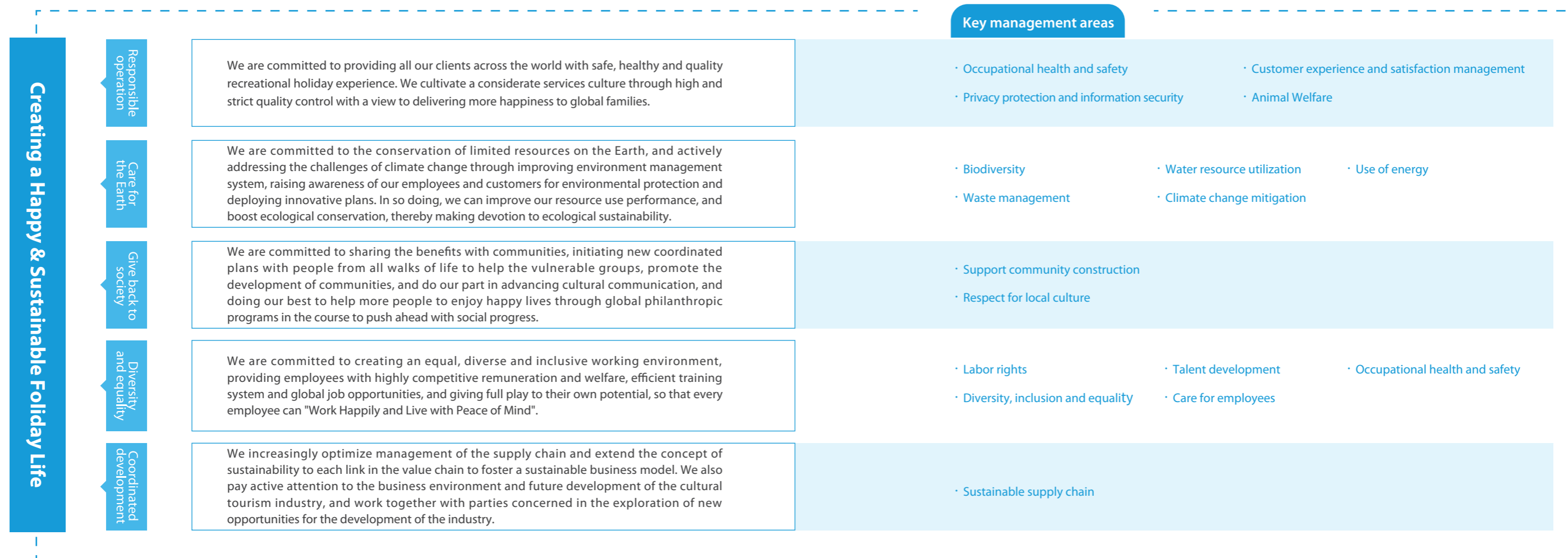


# Sustainable Governance

Fosun Tourism has always adhered to sustainable development and creation of long-term value for all stakeholders. In 2021, to further reinforce our commitment to sustainable development, we set out our sustainability strategy of "Creating a Happy & Sustainable Holiday Life" and our 2030 Sustainable Development Goals to produce a deeper and more positive impact on our employees, customers, partners and the communities in which we operate.

## Sustainable Development Strategy

Our sustainable development strategy aims to drive management and innovation in five key areas through improving standards, efficiency and collaboration, thus mitigating operational risk and building long-term business resilience.





## 2030 Sustainable Development Goals and Progress

To further implement our sustainable development strategy, we have formalized a set of "2030 Sustainable Development Goals", reflecting Fosun Tourism's ambition to become a world-leading enterprise in sustainable development.

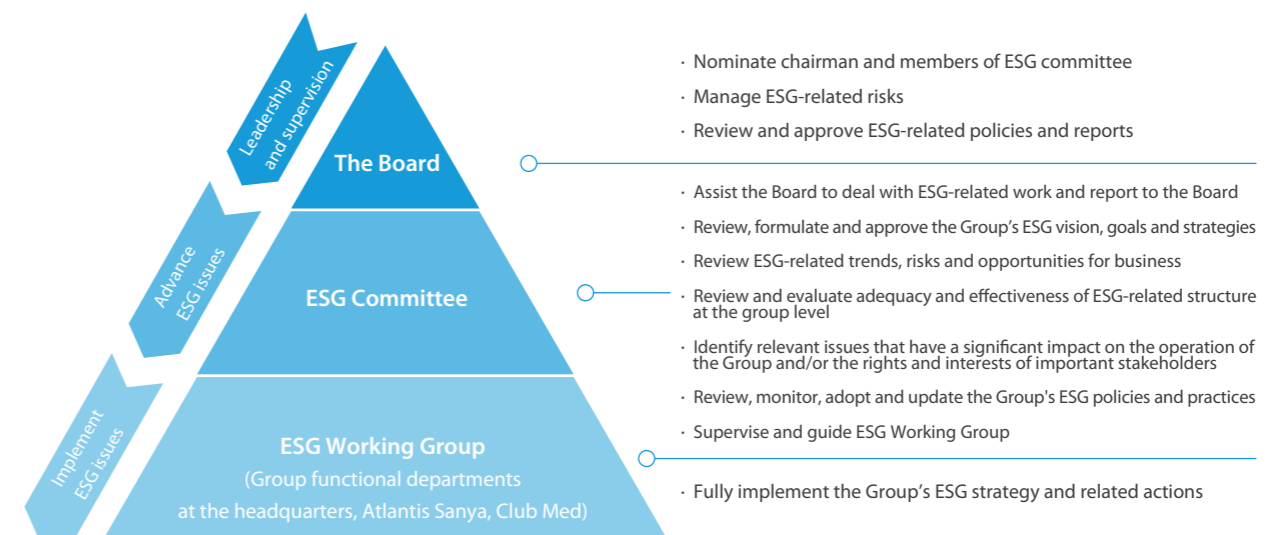
Pillar of sustainable strategy	Our commitments	Progress made in 2021
Responsible operation	<ul style="list-style-type: none"> <li>30% of hotels and resorts get/obtain food safety HACCP or ISO22000 or equivalent system certifications</li> </ul>	<ul style="list-style-type: none"> <li>Atlantis Sanya obtained HACCP Certification for three consecutive years (including the Reporting Period)</li> </ul>
Care for the Earth	<ul style="list-style-type: none"> <li>100% resorts get or obtain an eco-certification (BREEAM Good minimum or equivalent, LEED (silver), or equivalent) for new built and deep renovations</li> <li>100% resorts get or keep Green Globe/EarthCheck /Green Hotel or equivalent</li> <li>Reduce carbon intensity by 40% (GHG scope 1&amp;2) (2019 baseline)</li> <li>Reduce energy consumption intensity by 30% (2019 baseline)</li> <li>Reduce water use intensity by 10% (2019 baseline)</li> <li>Reduce waste output by 30% (2019 baseline)</li> <li>Achieve a maximum of renewable electricity use</li> <li>Protect biodiversity both during construction and operation stage</li> <li>Promote environmental awareness through staff and customer activities</li> <li>Encourage suppliers to set goals and validate through auditing and incentive programs</li> </ul>	<ul style="list-style-type: none"> <li>100% of Club Med villages that are opened or in construction in 2021 are eco-certified or in process (including BREEAM or equivalent)</li> <li>94% of eligible<sup>4</sup> Club Med Resorts are Green Globe certified; Atlantis Sanya was awarded "China Five-leaves Green Hotel" and obtained EarthCheck silver certification for two consecutive years (including the Reporting Period)</li> <li>13% of all electricity consumed in Club Med Resorts will come from renewable sources (EDF green certificates and photovoltaic electricity either produced in villages or purchased) and 47% of its villages uses electric vehicles</li> <li>Atlantis Sanya purchased and write off Verified Carbon Units (VCUs) to complete the carbon neutralisation of a total of 15,139 tonnes, and was awarded the carbon neutral certificate by the China Quality Certification Centre (CQC)</li> <li>Protect biodiversity both during construction and operation stage</li> <li>All employees received environmental awareness trainings</li> </ul>
Diversity and equality	<ul style="list-style-type: none"> <li>Establish safety &amp; health management system according to ISO45001 and other international standards, to continuously create a safe and healthy working environment for employees</li> <li>Reduce Lost Time Injury Frequency Rate (LTIFR) by 15% (2019 baseline)</li> <li>Achieve 100% attendance rate of employee safety and health training</li> </ul>	<ul style="list-style-type: none"> <li>All employees received safety and health related trainings</li> </ul>
Coordinated development	<ul style="list-style-type: none"> <li>Continuously improve local procurement</li> <li>Encourage suppliers to set environment-protection goals and validate through auditing and incentive programs</li> </ul>	<ul style="list-style-type: none"> <li>41% of Club Med's purchases are locally sourced (2019: 35%; 2018: 13%) (except China, USA, Brazil, Mexico)</li> <li>Atlantis Sanya's local suppliers and the local procurement amount in Hainan Province accounted for 42.6% and 54.4% respectively</li> <li>82% of operational suppliers in China received ESG assessments by the Group headquarters</li> </ul>
Give back to Society	<ul style="list-style-type: none"> <li>Continuously improve local employment and procurement</li> <li>Promote local cultural communication</li> </ul>	<ul style="list-style-type: none"> <li>Continue to engage in public welfare activities concerning health and poverty alleviation, care for children, education programs, and cultural preservation, etc. The accumulated resources invested in public welfare are about RMB 3.16 million and the accumulated time invested exceeds 1,100 hours</li> </ul>

<sup>4</sup>Eligible resorts include all resorts between one year after opening and two years before closing.

## Sustainable Development Governance

### Governance Structure

The Board is the highest responsible organ for the ESG governance, which plays a major leadership and supervision role in the ESG governance. The Group has established a top-down three-level ESG governance structure, which consists of the Board, the ESG Committee and the ESG Working Group.





## ESG Committee

The Company has established an ESG Committee and the main responsibilities include the following:

- To review and adopt the environmental, social and governance vision, objectives and strategies of the Group, check the progress toward completion on an annual basis, and provide recommendations to the Board on relevant environmental, social and governance matters.

Issues include but not limited to:

  - Environmental-related**

Manage and lower the environmental impact caused by the operation of the Company, such as response to climate change and energy management, carbon neutrality, ecological conservation, water management, emission management, etc.
  - Social-related**

Manage the impact caused by the operation of the Company on various stakeholders in the society, including customers, employees, suppliers and communities, such as product safety and customer service, user privacy and data security, occupational health and safety, employees' rights and interests and development, respect for labour rights and diversity, sustainable procurement, philanthropy and social welfare;
  - Governance-related**

Actively enhance internal corporate governance, such as business integrity and integrity monitoring, anti-money laundering and anti-unfair competition, public and transparent disclosure of non-financial information, etc.
- To supervise, review, evaluate and report back to the Board on Environmental, Social and Governance Performance;
- To identify, assess and manage important issues related to environmental, social and governance;
- To adopt and update as necessary the Group's policies on environmental protection, social responsibility management and corporate governance.

For specific duties, please refer to the Group's *Terms of Reference of the ESG Committee*.

As of the end of the Reporting Period, the Committee comprised three members, including two independent non-executive Directors, Mr. Guo Yongqing (Chairman) and Ms. Katherine Rong Xin, and one executive director, Mr. Henri Giscard d'Estaing.

The ESG Committee meet at least once a year. The ESG Committee held three meetings, in March, August and November 2021 respectively, to guide and review the progress of ESG strategy and goals in the year, and forge forward with the implementation of ESG work.



## ESG Working Group

We have set up an ESG Working Group under the ESG Committee to drive the implementation of specific ESG-related work. During the Reporting Period, we reinforced the responsibilities of the ESG Working Group by including the responsible persons of each functional department at the headquarters and relevant departments of our major subsidiaries in the Team. For specific duties, please refer to the *Fosun Tourism Group Scope of Responsibility of ESG Working Group*. During the Reporting Period, the ESG Working Group advanced the development of the Group's ESG strategy and goals, reviewed new ESG trends and issues, and provided recommendations to the ESG Committee.



### Supplementary information

*Terms of Reference of the ESG Committee*

*Fosun Tourism Group Scope of Responsibility of ESG Working Group*

## Capacity Construction

The Group focuses on promoting ESG literacy and building ESG capacity. Not only do we continuously pay attention to international and domestic ESG development trends and actively grasp the hot spots of ESG concerns in the capital markets. We also encourage employees to proactively participate in ESG knowledge promotion and learning to understand the latest industry developments, so as to enhance ESG capacity construction in terms of ESG awareness recognition by all employees. During the Reporting Period, we awarded and recognized departments and individuals that made outstanding contributions to the Group's ESG.

In order to propel ESG awareness among all employees and enhance their ESG capabilities, the Group, as one of the co-organisers, participated in the ESG Culture Week jointly arranged with Fosun International in November 2021. A series of activities such as ESG online afternoon sharing sessions and online "Zero Carbon Enterprise" training on risks, opportunities and actions were organized, which contribute to the dissemination of ESG culture and knowledge among all employees.





## Stakeholder Engagement

The Group always believes that two-way, transparent and regular communication can help us effectively understand and respond to the expectations and demands of the stakeholders, strengthen the ESG governance and continuously improve our sustainability performance.

We have identified seven major stakeholder groups in respect of their close relation with the Group, and continuously improved the normalized and diversified communication mechanism. We can timely and effectively understand their demands and adopt their suggestions, and consider their concerns in our operation and decision-making process to create value for all parties.

The following table lists ESG issues of concern to different stakeholder groups during the Reporting Period, and the main communication methods between the Group and the stakeholders.

Stakeholder Group	Issues concerned	Communication Channels
Investor/Shareholder	<ul style="list-style-type: none"> <li>Business ethics and anti-corruption</li> <li>Corporate governance</li> <li>Customer experience and satisfaction management</li> <li>Customer health and safety protection</li> </ul>	<ul style="list-style-type: none"> <li>General meeting/intrim general meeting</li> <li>Performance release conference</li> <li>Press release/announcement/annual report/corporate newsletter</li> <li>Roadshow</li> <li>Investor meeting</li> </ul>
Customer	<ul style="list-style-type: none"> <li>Customer experience and satisfaction management</li> <li>Privacy protection and information security</li> <li>Customer health and safety protection</li> </ul>	<ul style="list-style-type: none"> <li>Face to face communication</li> <li>Customer satisfaction survey</li> </ul>
Hotel Owners and Franchisees	<ul style="list-style-type: none"> <li>Customer health and safety protection</li> <li>Sustainable supply chain</li> <li>Animal welfare</li> </ul>	<ul style="list-style-type: none"> <li>Regular/ irregular meeting</li> <li>Performance release conference</li> <li>Press release/ announcement/ annual report/ corporate newsletter</li> </ul>
Employee	<ul style="list-style-type: none"> <li>Labour rights</li> <li>Care for employees</li> <li>Occupational health and safety</li> <li>Diversity, inclusion and equality</li> </ul>	<ul style="list-style-type: none"> <li>Executive sharing session</li> <li>Staff meeting</li> <li>Current Employment Statistics (CES) survey</li> <li>Team building activities</li> </ul>
Supplier	<ul style="list-style-type: none"> <li>Business ethics and anti-corruption</li> <li>Sustainable supply chain</li> <li>Animal welfare</li> </ul>	<ul style="list-style-type: none"> <li>Supplier complaint feedback channel</li> <li>Supplier on-site visit/audit</li> <li>Supplier annual executives meeting</li> <li>Supplier training and related activities</li> </ul>
Media and local residents	<ul style="list-style-type: none"> <li>Biodiversity</li> <li>Waste management</li> <li>Water resource utilization</li> <li>Climate change mitigation</li> <li>Use of energy</li> <li>Respect local culture</li> <li>Support community construction</li> </ul>	<ul style="list-style-type: none"> <li>Press release/announcement</li> <li>Public welfare volunteer activity</li> <li>Local procurement plan</li> </ul>
Industry Association	<ul style="list-style-type: none"> <li>Business ethics and anti-corruption</li> <li>Climate change mitigation</li> <li>Support community construction</li> </ul>	<ul style="list-style-type: none"> <li>On-site investigation</li> <li>Telephone communication</li> <li>Periodic report and announcement</li> </ul>

## Materiality Assessment

### Materiality Assessment Process

In order to truly understand stakeholders' expectations and concerns and respond to their demands in a timely manner, we invited some of our key stakeholders to conduct a formal and substantive assessment in 2020 to identify major ESG issues on the dimensions of "Importance to business development of Fosun Tourism" and "Importance to stakeholders".

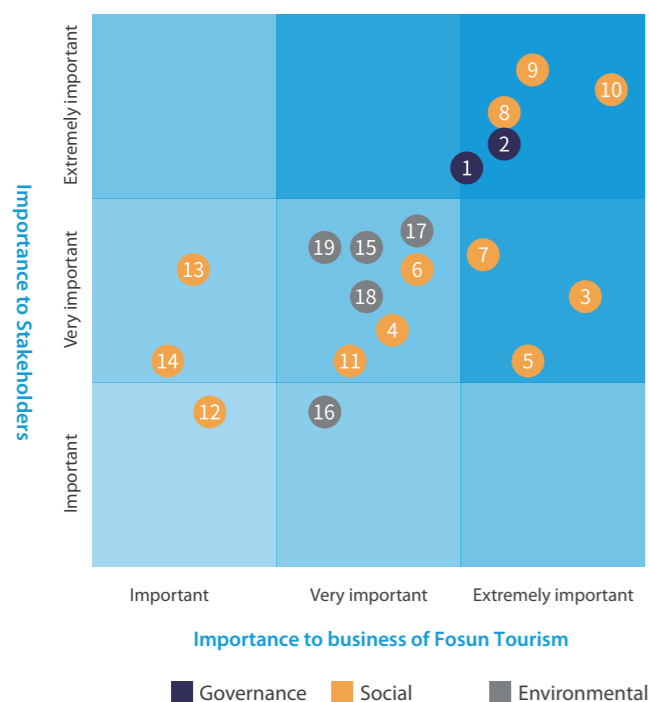
During the Reporting Period, we invited internal and external stakeholders important to the company's operation and development to review and update the importance of various ESG issues. Some ESG issues were reclassified, renamed or deleted according to the current company's strategy and social trends. The original 24 ESG issues were readjusted to 19 ESG important issues. In the future, we will continue to respond to these key issues.

	Identification of issues	Surveys and interviews	Confirmation of results
Review on materiality assessment process in 2020	Taking into comprehensive consideration the Group's strategic focus, operating characteristics and industry priorities, we identified the potential ESG issues of the Company with reference to the UN Sustainable Development Goals (SDGs), the sustainability rating concerns of the ESG Reporting Guide issued by Hong Kong Stock Exchange and the requirements of relevant regulators.	We invited the representatives of the internal and external stakeholders identified by the Group for questionnaire surveys and internal interviews, understanding their assessment on the materiality of each issue and listening to their opinions and suggestions.	This survey involved 215 valid questionnaires and over 10 internal interviews. For potential issues identified, we sort them by importance to the Group's strategic operation and to stakeholders, and created a materiality assessment matrix for ESG Committee to review and confirm.
Review in 2021	We re-examined the 24 issues identified before, and reviewed and updated the importance of each issue. We adjusted the original 24 issues to 19 important issues. The main changes are as follows: (1) "Customer relationship management" was renamed "Customer experience and satisfaction management", "Food and service safety" was renamed "Customer health and safety protection", "Contribution to Localization" was renamed "Supporting community construction"; (2) "Greenhouse gas emissions" and "Adaptation to climate change" were merged into "Climate change mitigation", "Protection of trademarks and intellectual property rights" and "Anti-corruption" were merged into "Business ethics and anti-corruption"; (3) Added a new topic of "Corporate governance" according to the concerns of investors; (4) Due to the intersection with existing issues, the four issues of "Care for the disabled", "Environmental protection awareness", "Ecological certification" and "Green innovation" were deleted.  The ESG Committee has reviewed and confirmed that the 19 issues have fully covered the Group's ESG practices during the reporting period.	Conduct interviews and meetings with important internal and external stakeholders to understand their concerns about the 19 important ESG issues we identified.	According to the communication and confirmation with internal and external stakeholders, the importance assessment of the three ESG issues has changed greatly. The main changes are as follows: (1) Due to the tightening of external policies, the improvement of public attention and the Group's digital strategic layout, the importance of the issue of "Privacy protection and information security" to internal and external stakeholders has been raised to "extremely important". (2) Due to the promotion of China's "double carbon" goals and policies and the feedback from external stakeholders, the Group is aware of the importance of actively managing climate change issues. Therefore, the importance of the issue of "Climate change mitigation" to internal and external stakeholders is raised to "very important". (3) Due to the low risk level of the Group's supply chain, the "Sustainable supply chain" was adjusted from an extremely important key management issue to a very important issue. The Group also recognizes the importance of promoting upstream and downstream supply chains to jointly practice sustainable development, so the Group will continue to improve supply chain management and create a sustainable and responsible supply chain in its future operation.  The importance assessment of the remaining 16 ESG issues has not changed significantly. The materiality assessment matrix has been reviewed and confirmed by the ESG Committee.



## Materiality Assessment Results

The materiality matrix below shows the material issues of the Group. We will disclose detailed information of these issues in the Report, and take into prudent consideration and respond to these issues during the whole process of our business operation. In addition, we will continuously focus on these issues and allocate resources accordingly to manage all issues affecting the Group and the stakeholders.



Area	No	Issues	
Governance	1	Business ethics and anti-corruption	
	2	Corporate governance	
Social	3	Labor rights	
	4	Diversity, inclusion and equality	
	5	Talent development	
	6	Care for employees	
	7	Occupational health and safety	
	8	Customer experience and satisfaction management	
	9	Privacy protection and information security	
	10	Customer health and safety protection	
	11	Sustainable supply chain	
	12	Animal welfare	
	13	Support community construction	
	14	Respect local culture	
	Environmental	15	Biodiversity
		16	Waste management
17		Water resource utilization	
18		Use of energy	
19		Climate change mitigation	

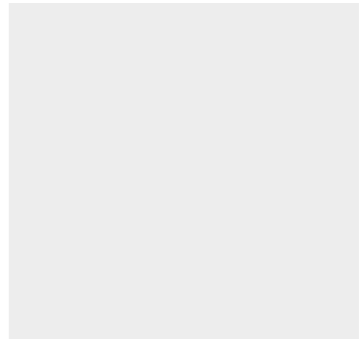


## Response to SDGs

As a company running business across multiple continents, Fosun Tourism believes that working together to cope with the challenges confronted by the whole world is the key to sustainability. We fully support UN SDGs, identify the ones most relevant to our business and make adjustment to our strategy accordingly. We look forward to more cooperation with government and other institutions in support of UN SDGs and contribute to the tackling of various global issues such as climate change and the sustainable use of terrestrial ecosystem.

Title of sections	Corresponding issues	Corresponding UN SDGs
About Us	<ul style="list-style-type: none"> <li>Business ethics and anti-corruption</li> <li>Corporate governance</li> </ul>	
Responsible operation	<ul style="list-style-type: none"> <li>Customer experience and satisfaction management</li> <li>Privacy protection and information security</li> <li>Customer health and safety protection</li> <li>Animal welfare</li> </ul>	
Care for the Earth	<ul style="list-style-type: none"> <li>Biodiversity</li> <li>Waste management</li> <li>Water resource utilization</li> <li>Use of energy</li> <li>Climate change mitigation</li> </ul>	
Diversity and equality	<ul style="list-style-type: none"> <li>Labour rights</li> <li>Diversity, inclusion and equality</li> <li>Talent development</li> <li>Care for employees</li> <li>Occupational health and safety</li> </ul>	
Coordinated development	<ul style="list-style-type: none"> <li>Sustainable supply chain</li> </ul>	
Give back to the society	<ul style="list-style-type: none"> <li>Support community construction</li> <li>Respect for local culture</li> </ul>	





# 03

## Responsible Operation

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## Responsible Operation

Fosun Tourism is committed to providing all our customers across the world with safe, healthy, thoughtful and sincere recreational holiday experience. Attaching great importance to customers' safety and healthy, we have set up a complete safety and health system to cope with various risks related to safety. Focusing on customer experience, we have developed the sound FOLIDAY-iCARE service management system to cultivate Fosun Tourism's service culture of providing thoughtful and warm services and delivering the best experience to families around the world. We're aware of our responsibility as a global enterprise to promote sustainable tourism by focusing on the sustainable integration of industry with ecology, economy and society.

To precisely assess our progress, the Group set performance goals regarding "Responsible Operation", and drive the achievement of these goals with our comprehensive quality management system and procedures and regular review.



### Pillar of sustainable strategy

Responsible Operation



### Our commitments by 2030

30% of hotels and resorts get/obtain food safety HACCP or ISO22000 or equivalent system certifications



### Progress made in 2021

Atlantis Sanya obtained HACCP Certification for three consecutive years (including the Reporting Period)

## Safety Protection

Safety has always represented the top priority of the Group. We attach great importance to the safety in every aspect of our operations. By improving the safety management system, raising the employees' safety awareness and capability, regularly identifying the risks related to safety and taking corresponding measures, we manage to ensure the safety of our clients and employees.

## Safe Operation

### ■ Implementation of safety management

The Group set up the Environment, Health, Safety and Customer Services & Products Quality Supervision Department ("EHSQ Department") in May 2019 for the management of EHSQ issues, and has constantly improved the existing safety management system. During the Reporting Period, the Group's EHSQ team reviewed more than 22 regulations and policies such as the *Fosun Tourism Emergency Handling and Reporting Management System* and the *Fosun Tourism Group Fire Management System*, revised the *Fosun Tourism Group EHS Responsibility System* in line with the organizational structure and duties of personnel, and updated the *Fosun Tourism Food Safety Management System* and the *Fosun Tourism Hotels and Resorts Pre-opening EHSQ Inspection System*. Meanwhile, based on the business needs, the team also formulated the *Fosun Tourism Outdoor Ski Resort Safety Management System* and the corresponding checklist to provide guidance and supervision on the implementation and improvement of safety management work carried out by the subsidiaries of the Group, so as to fully protect the safety of our customers.

To prevent various safety accidents, reduce the operational risks and eliminate the potential dangers, the Group's EHSQ Department regularly conduct audits to identify, check and verify the risks and hidden dangers on all the subsidiaries. The audit scope covers fire prevention, operation safety, food safety, public hygiene, pandemic containment, customer services and environment protection, etc. During the Reporting Period, the Group's EHSQ Department conducted a total of 30 checks at various operating locations. Pre-opening EHS inspections were also conducted for new projects such as Club Med Lijiang Resort, Cook's Club Guilin Resort and Club Med Changbaishan Resort, etc. The EHSQ Department informs the corresponding subsidiaries corrective suggestions for identified problems, and require them to report the corrective action results in a set time.

While meeting the Group's EHSQ management requirement, each subsidiary also constantly improves its own safety management systems, implements various safety management measures and conducts risk identification based on its business characteristics and EHSQ risks.



### Atlantis Sanya

Atlantis Sanya has established an EHSQ Management Committee, and put in place designated safety personnel. Building on a complete and optimized *Fire Prevention and Safety Management System*, Atlantis Sanya has compiled and distributed the *Contingency Plan* to safety officers of every department of all the hotels. Atlantis Sanya has set out annual EHSQ goals and work plans, which can be reflected in its safety inspections on and after major public holidays, and regular risk investigations, evaluations and safety checks.

During the Reporting Period, Atlantis Sanya further improved the EHSQ management organizational structure. The management team was expanded to enhance the resort's management on fire prevention and safety, occupational health, waterpark safety, food hygiene and environmental protection in resorts. Meanwhile, Atlantis Sanya performed EHS inspection every month and carried out comprehensive EHS inspection before holidays. In 2021, Atlantis Sanya conducted 48 EHS inspections in total with a rectification completion rate of 100%.

In order to control the risk of drowning, Atlantis Sanya Waterworld has implemented the International Lifeguard Training Program (ILTP), inviting the third party E&A company to provide a 7-day theoretical and practical training for all lifeguards, with regular retraining and daily real-life dummy lifeguard drills to consolidate lifeguard skills. All lifeguards are trained based on the 10/20 standard to ensure that there are no blind spots in the visitor areas, ensuring the safety of all guests. Each lifeguard carries a first aid kit and there are six first aid storage points in the Waterpark, equipped with a Trauma Bag, stretcher and AED to ensure first aid is available in the event of an accident.

At the 36th 2021 China (Beijing) International Amusement Equipment Expo organised by the China Association of Amusement Parks and Attractions (CAAPA) on 22 May 2021, Atlantis Sanya shared its experience in water world lifeguard management, which was well received by enterprises in the cultural tourism industry. This lifeguard management experience is now gradually being replicated in other member companies.

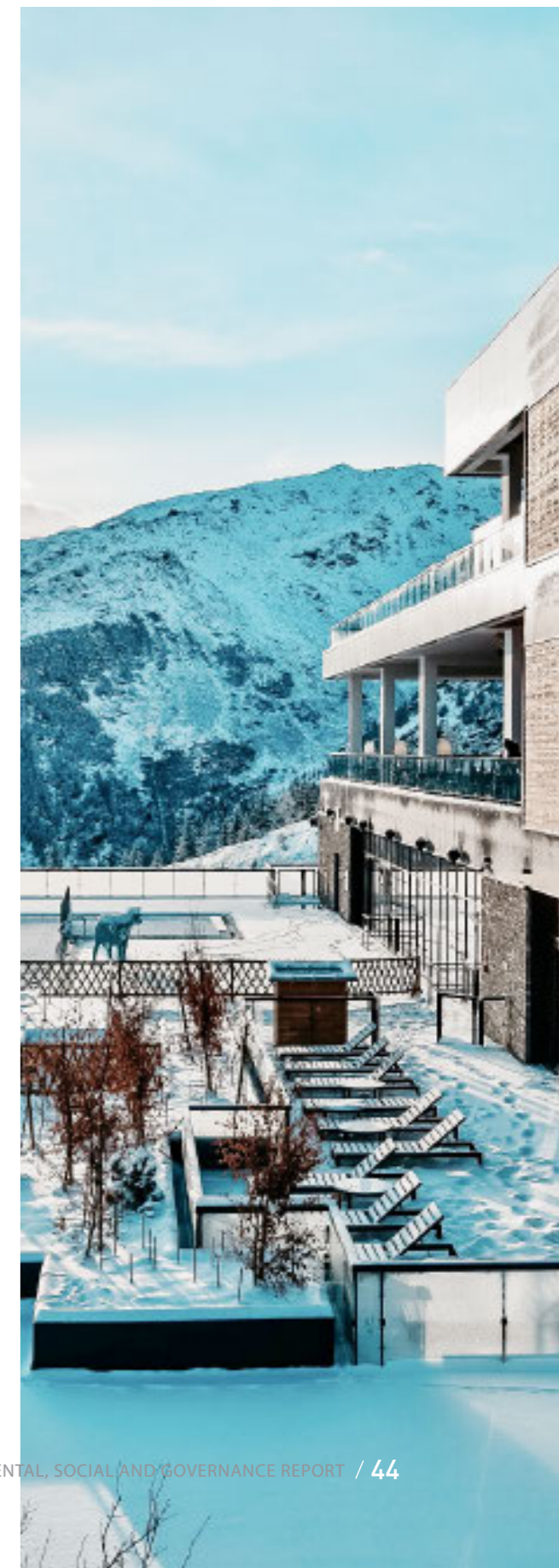


### Club Med

Club Med established the Safety, Hygiene and Health (SHH) department available 24 hours a day. SHH department regularly updates policies and Manual in terms of prevention, safety, hygiene and health in HHS intranet, both for GM® and GO® and GE. HHS intranet is accessible to all Villages. During the reporting period, the position of "Safe Together Manager" in resort created temporarily in 2020 to manage Covid-19 problems in the resorts. Its scope of responsibilities and missions has been extended to further promote the health and safety, food safety, check-in safety, crisis management, epidemic prevention and control amongst all resorts. It also incorporates the management at resort scale of Club Med Corporate Social Responsibility Program "Happy to Care".

Audits and ad hoc investigations on safety issues are organized on a regular basis amongst Club Med Villages. The SMICE programme is fully deployed in all villages from 2021, which consists in performing safety self-checks of all on-site activities (people / processes / structures) every two months via an application (including epidemic prevention and control). The general manager or village head of Club Med Resorts in China shall lead the team to conduct EHS on-site inspection every month, and all departments shall conduct safety inspection at least once a month.

In addition, Club Med has established a 360° SHS (Safety, Hygiene and Health) programme to ensure the safety of its guests in all aspects. Detailed 360°SHS guidelines have been developed around fire safety, disaster escape, staff training, food and health, protective equipment, and through the inclusion of SHS in job descriptions, monthly SHS meetings and regular 360°SHS assessments at the resort, the effective implementation of the 360°SHS guidelines is ensured.





Commitment of "Safe Holiday" with Fosun Tourism: Sticking to Pandemic Control



Under regular pandemic prevention and control in 2021, Fosun Tourism managed to keep pace with global development and showed its resilience in business. Under the momentum of strong business growth, the Group has always adhered to the principle of "safety first" and further strengthened the hygiene procedures to ensure compliance with the recommendations of the World Health Organization and the guidance of other operating regions and help protect the health and safety of customers and employees in a multi-dimensional and all-round way.

Atlantis Sanya

During the Reporting Period, observing the development of COVID-19, Atlantis Sanya formulated and continuously updated the Action Plan for Pandemic Prevention and Control, specifying detailed standards for prevention, control and inspection measures concerning customer protection, employee protection, food safety, room safety, emergency response and pandemic prevention and control on occasions of gathering to ensure comprehensive prevention and control of pandemic.

In addition to ensuring adequate manpower and instructions for pandemic prevention, Atlantis Sanya has also improved and updated the Contingency Plan for Pandemic Prevention and Control and the Action Plan for Emergency Response in respect of routine disinfection management, pandemic prevention inspection & registration, medical protective supplies, and receipt and procurement of imported cold-chain food, and strengthened the trainings and drills on pandemic prevention measures and multi-scenario emergency handling procedures, so as to effectively improve all members' ability to handle emergencies related to COVID-19. Meanwhile, the training on pandemic prevention and control has been incorporated in the orientation training courses to ensure that all employees are aware of the pandemic prevention policies and requirements of the hotel.

Implementing enhanced pandemic prevention procedures at hotel:

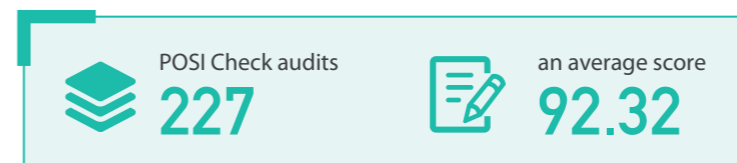
- 01 Strengthening control over visitor and employee registration
- 02 Intensifying disinfection in key public areas
- 03 Enhancing food safety protection
- 04 Ensuring adequate social distance and air quality

Club Med

In 2021, Club Med continues to implement a comprehensive epidemic prevention plan and measures, targeting all epidemic prevention measures during customer arrival, in public areas, rooms, meals, cleaning and disinfection, as well as during recreational activities, in order to provide customers with a safe, healthy and secure holiday experience.

With the recovery of its overseas business, Club Med has actively organised the reopening of its overseas resorts after the epidemic, followed up on the local epidemic prevention and control policies in the resorts, and implemented the Resort Guidelines for Epidemic Prevention and Control and various crisis management measures. The Operating Procedures for Reopening Resorts are available in several languages and will be updated in line with the development of the Covid-19. Guest management is carried out at each resort in accordance with local regulations and strict operating procedures. Each resort has a Safety Together Manager and a Covid doctor who are responsible for the management of covid cases and Covid-19 testing for all staff to safeguard the resort.

In 2020, Club Med Global has set up an audit programme POSI Check (THE PREVENTION OF THE SPREAD OF INFECTION) in cooperation with CRISTAL International Standards, an internationally renowned health and safety consultancy. In the same year, The Club Med Resorts in China, cooperated with the China Certification and Inspection (Group) Company Limited (CCIC), formulated the epidemic prevention and control guidelines and regularly conduct audit on procedures for managing the risk of Covid-19, for the purpose of ensuring operation safety. In 2021, a total of 277 POSI Check audits were carried out in all the villages of Club Med, with an average score of 92.32.



In addition, to reduce the risk of transmission within the resorts, Club Med has further strengthened its Covid-19 prevention and staff protection measures:

- Organisation of screening campaigns for all staff, on a voluntary basis: tests on arrival and then a campaign every three weeks, for staff and also for our external service providers
- Training on the risks of transmission, preventative measures and social distancing at the beginning of the season
- In France: access to vaccination offered through occupational medicine
- Partnership with local health authorities in several countries (Maldives, Seychelles, Dominican Republic, Turquoise, Mexico, US, Canada, Brazil, Senegal, Morocco ...) organisation of vaccination campaigns for all voluntary staff; the double shot vaccination rate in resorts in the Asia Pacific region reached 96%, and the vaccination rate of the third booster shot reached 56%
- Adaptation of staff accommodation, with individual or two persons maximum accommodation
- Provision of masks and disinfection kits for GO®-GE
- Presence of a Covid medical officer and/or nurse in all resorts
- Isolation rooms provided in case of positive cases

### ■ Enhancement of safety awareness and capability

Fosun Tourism carries out safety trainings at the group level, the hotel and resort level and the department and position level to ensure that safety policies and management systems can be put into practice effectively. We require every new employee to attend the *EHSQ Awareness Training* and the *Fire Safety Training*, and carry out employee EHS training at least once a year. During the Reporting Period, the EHSG Department arranged a total of 34 EHSG trainings concerning management of plastic articles, occupational health and safety, recreational water treatment technology and water quality safety, EHS hazard identification and risk assessment, public health and hygiene, machinery safety and fire safety, with a total duration of 32.5 hours, and a total attendance of 1,759 person times.

Under the leadership of the Group, the hotels and resorts have conducted EHS culture promotion and training through new employee training, monthly EHS training, work safety month EHS activities and other ways to improve all employees' awareness of safety. Based on risk assessment and operation needs, pre-service training, regular training and real-time training have been carried out for all departments and positions.

#### EHSQ Training

To enhance the professional competence and team cohesion of EHS personnel, the EHSQ team of the Group held a 2-day 2021 Fosun Tourism Operation Line EHS Seminar at Atlantis Sanya in November 2021. The seminar was open to part-time and full-time EHS personnel, heads of security and fire prevention, project directors and leaders of the sports department from all subsidiaries of Fosun Tourism. The Seminar also invited the Group's professional management personnel, third-party experts and representatives from leading enterprises to enhance the professional skills of EHS-related personnel from all enterprises and promote exchanges. Various activities like classroom lectures, on-site visits and exchanges, and on-site practices were organized surrounding topics such as labour protection, confined spaces, chemical management, recreational water treatment and sustainable development.



EHS Seminar by Line of Operation of Fosun Tourism



Emergency knowledge training



EHS culture training for new employees at Lijiang FOLIDAY Town



EHS training for Club Med employees

To protect the personal and property safety of our customers, we formulate a complete safety emergency drill plan. All our subsidiaries and operating locations are required to carry out safety emergency drills at least once a year, so as to improve all employees' emergency response and handling abilities. All hotels and resorts are required to perform fire safety management according to the fire safety requirements for crowded places, strictly carry out fire safety trainings and fire drills for all members at least twice a year, identify key areas of fire protection and formulate special plans and undertake special drills.

#### Safety Emergency Drill

In 2021, Fosun Tourism required all subsidiaries to formulate emergency drills according to their respective operational risks to protect the safety of customers and all employees. The drills are divided into comprehensive drills and special drills, covering different scenarios such as fire fighting, food safety, infectious disease outbreaks, chemical spills, emergency rescue of large rides, pool drowning and search and rescue of people travelling outside the village.

Atlantis Sanya, Club Med resorts, Lijiang FOLIDAY Town and Taicang FOLIDAY Town have formulated a safety emergency drill plan to organize all employees and relevant contractors to conduct safety emergency drills. During the Reporting Period, Fosun Tourism' subsidiaries completed a total of 89 EHSQ-related emergency drills.



Fire drill of Atlantis Sanya



Drowning rescue drill of Atlantis Sanya



Fire drill of Lijiang FOLIDAY Town



Contractor fire drill of Taicang FOLIDAY Town



## Food Safety

The Group believes that food safety is an important part of customer safety. In order to provide our customers with healthy and safe food and help them enjoy healthy holidays, we carefully select cooking ingredients and conduct stringent control over food handling process and food serving standards.

The Group has formulated an array of management regulations and standards concerning food safety (e.g. the *Fosun Tourism Food Safety Management System*) to guide subsidiaries in food safety management, and conduct food safety and hygiene audit on resorts on an annual basis, thus forming a multi-dimensional and multi-level management and review system. Based on the food safety management regulations developed by the Group, the subsidiaries have set up their respective SOPs, management and implementation rules.

To better meet the requirements on regular pandemic prevention and control and to respond to changes in law and regulations, the Group revised the *Fosun Tourism Food Safety Management System* during the reporting period. The new section about food safety protection during the pandemic was included, as well as other adjustment in accordance with the latest regulatory requirements.

In addition, for the purpose of ensuring the implementation of food safety management system, all catering staff of subsidiaries are required to receive adequate trainings before and after on boarding. During the Reporting Period, the subsidiaries updated the food safety emergency plan and drill mechanism respectively in accordance with the *Guidelines of FTG Control Guideline of Infectious Gastroenteritis Such as Norovirus*, and carried out food safety emergency drills, to effectively improve their emergency response capabilities.



### Atlantis Sanya

Atlantis Sanya has appointed three food hygiene managers and one senior food safety director under the EHSQ line to undertake the responsibilities in daily maintenance and review of HACCP system, emergency treatment and investigation on food hygiene and safety incidents/accidents, assessment and inspection on food suppliers. During the Reporting Period, Atlantis Sanya established the HACCP (Hazard Analysis and Critical Control Points) system has reached its third year of operation and successfully passed the certification and renewal of certification by SGS, a third party organization, in September 2021. All new employees are required to attend the HACCP-related trainings within 1 month of joining the company, with a 100% training coverage rate. For staff in the Food and Beverage Department, in addition to attending new staff training, a combination of online and offline training on food safety is available and compulsory to accomplish; the food safety trivia test is organized on daily basis in WeChat group to strengthen the awareness and knowledge.



### Club Med

In 2019, Club Med APAC established the Safety, Hygiene and Health (SHH) department, the Products and Services Department, and created the position of "Food Safety Manager" in resorts, to coordinate the work of setting hygiene and food safety policies, organizing monthly hygiene and safety inspections and meetings, conducting risk management. In other resorts outside APAC region, Safety Together Manager takes overall responsibility for food safety management and training at each resort. A unified food safety training and examination is conducted by CCIC once a year before the seasonal resorts open their villages and once a year for resorts that operate all year round. All staff are organised regularly to attend online food safety knowledge classes for re-training. The Food Hygiene Manager at each resort also provides targeted training to staff on hand washing, chopping boards cleaning, slicers cleaning and other on-site practices based on daily inspection findings. The SHH department has implemented an audit policy at all Club Med resorts, working with CRISTAL abroad and with CCIC in China to conduct food safety audits at each resort every 2 months. During the Reporting Period, Club Med Global conducted 252 food safety and drinking water safety audits, with an average score of 82.14, higher than the 80 points required by the Standards.

#### Food safety management in supply chain

The Group attaches great importance to the food management in supply chain, and endeavours to build a solid food safety barrier. For specific management measures, please refer to [Supply Chain ESG Management](#) section of this report.



## Information Security and Privacy Protection

The Group highly values the protection of customer information and privacy security. We put users' interests first when collecting and using user information, strictly abide by national and local laws and regulations such as the General Data Protection Regulation of the EU (GDPR), the *Data Security Law of the PRC*, the *Cybersecurity Law of the PRC* and the *Personal Information Protection Law of the PRC*, and apply stringent standards and measures to protect user information.

The ESG Committee under the Board is the highest responsible organ for user privacy and data security management. To achieve comprehensive protection, the Group has set up the Information Security Committee, consisting of the core members of the Technology Department, the Human Resource Department, the Risk Control Department, the Public Relations Department and the Legal Affairs Department, to regularly report to the Chief Information Security Officer of the Group. The Technology Department is in charge of the security of all customer data of the Group. Its main responsibilities include formulating information security process and policies, implementing information security strategy, carrying out daily monitoring and regular scanning for information and system security, dealing with information and system security incidents, following up on information security policies and regulations and carrying out internal information security training.

### Information security

Endeavouring to protect customer information, we take proper administrative, technical and physical security measures, and build an information security protection system in view of the current business development with reference to domestic and overseas information security standards and best practices.

During the Reporting Period, we updated and revised the *Fosun Tourism Group Information Security Management Regulation* according to the latest legal provisions, so as to further strengthen the information security management norms of Fosun Tourism and protect the legitimate rights and interests of users' personal data and privacy.

From the perspective of data life cycle, we establish security measures for all relevant links such as data collection, storage, display, disposal, use and destruction. We take different control measures based on the level of information sensitivity, including but not limited to access control, SSL encrypted transmission and desensitization of sensitive information. We also strictly manage employees who may have access to user information, establish approval mechanism for all critical operations like data access, internal and external transmission and use, desensitization and decryption, and sign with the aforesaid employees a confidentiality agreement and a letter of commitment for employees involved in information security or data protection.

We formulate data leakage prevention and emergency response plans to prevent or deal with data leakage mainly through password leakage risk reminders, user sensitive information leakage risk reminders, external public relations methods, and monitoring of information disclosure and transactions on the dark web. During the Reporting Period, the Group had no leakage of customer privacy or loss of customer data.

The Group regularly conducts internal information security review, and strengthens the information security system

through quarterly network penetration security scanning, irregular security scanning by external third-party, and "Red" vs "Blue" security competitions with external professional security teams. The Group's Thomas Cook Lifestyle Platform has been granted the Level III certificate under the National Cyber security System Grade Protection. Under this certification, the information security system is assessed and evaluated every year, which effectively ensures the security of our information system.

The Group understands that improving all employees' awareness of information security is crucial to the effective implementation of information security and privacy protection measures. Therefore, through a series of campaigns, trainings and publicity on information security, the Group has constantly enhanced the education on awareness of information security for all employees and detailed the information security requirements into the daily work of each employee. In 2021, the Group carried out online training courses titled "IT Information Security Publicity" for employees, explaining the basic concepts and means of information security, common principles and protection points of information security practices, as well as regulations, norms and policies related to information security.



### Privacy protection

The Group has made the *Fosun Tourism Group User Privacy Policy*, which clarifies the Group's basic manners for the collection, usage and management of the personal information of customers. The Group has updated the policies on a regular basis to make sure they are applicable for relevant business scope and compliant with laws and regulations. All users who sign up for Foryou Club membership on the Thomas Cook Lifestyle Platform need to confirm the Foryou Club Membership Registration Agreement, through which the users are clearly informed of our rules on user data and privacy. During the Reporting Period, Thomas Cook Lifestyle Platform updated and released the *Personal Information Protection Policy*; updates mainly focuses on provisions for the users' informed consent requirements around handling of personal data by third parties and the children's personal information protection policies. In addition, Atlantis Sanya, Club Med China and Miniversity have also updated their privacy policies.

The Group's primary purpose of collecting user data is to improve user experience and enhance the quality of our products and services. The Group's whole information collection process is implemented under the principles of legality, authorization, minimal collection, classified management, encrypted storage, data desensitization and undisclosed destruction. For detailed requirements of these principles, please refer to our privacy protection principles and policies set out on the website of the Company. During the Reporting Period, in combination with the situation that each business line may involve sensitive information, we identified important business scenarios involving privacy and carried out privacy investigation through technical means and data flow monitoring system. The investigation covers the whole process of collection, storage, use and destruction of private data, and the investigation coverage rate reaches 100%; for those identified problems, we have also completed special rectification work.

We have always been committed to providing our customers with better transparency. Users are allowed to log in to their accounts at any time to view or modify personal information, or request us to update, correct, delete and/or stop processing their personal information, and we will process such requests in accordance with applicable laws. In addition, before sharing user information with a third party, we should obtain the consent of the user and request the third party to sign the user information confidentiality agreement.

The Group also pays special attention to the information and privacy protection of minors and does not proactively collect any personal information of children under the age of 14. The Group strictly complies with the requirements of laws and regulations such as the *Provisions on the Cyber Protection of Children's Personal Information*, and has established policies such as the *Thomas Cook Children's Personal Information Protection Rules and Notice to Guardians*, so as to ensure that we will only collect, process, use, transfer or publicly disclose personal information of children under the age of 14 with the explicit consent of the parent or guardian.



#### Supplementary information

*Fosun Tourism Group User Privacy Policy*  
Privacy protection principles and policies set out on the website of the Company



## Quality Improvement

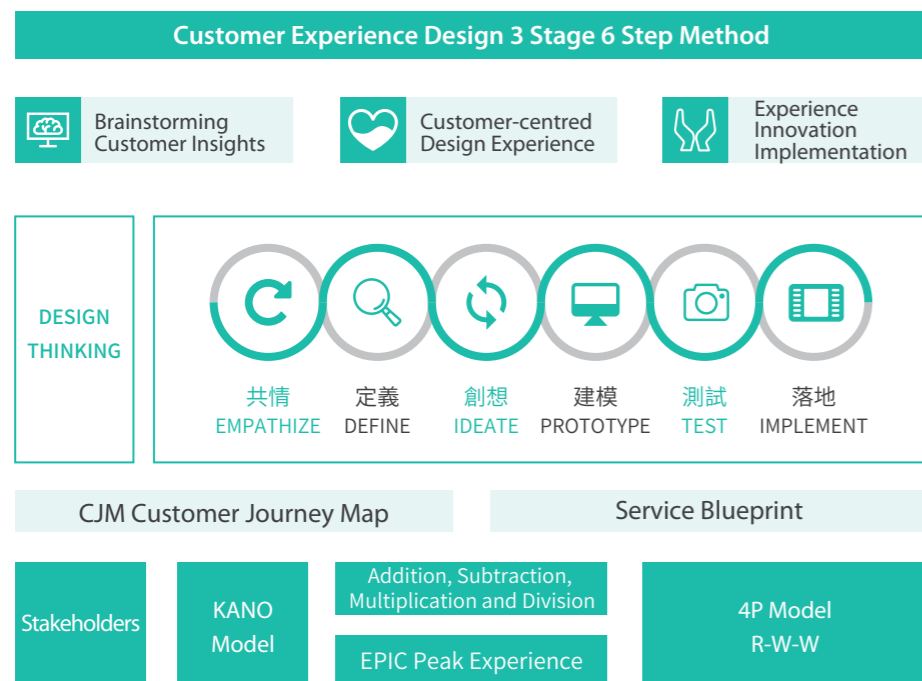
Fosun Tourism strictly abides by the *Law of the PRC on the Protection of Consumer Rights* and Interests and other relevant laws and regulations in China, as well as relevant foreign laws and regulations applicable for our operation locations abroad. We have formulated and issued a series of policies such as the *Fosun Tourism Group Customer Service and Product Supervision Management Program*. Focusing on customer experience and upholding the value of customer first, we listen carefully to customers' needs, and thoroughly implement the customer service quality management system and product quality management standards to create a new leisure and vacation experience for customers.

## Considerate Services

The customer-oriented Fosun Tourism is dedicated to delivering a new experience of recreational tourism for customers by keeping our customers as a top priority, listening to customers' needs, and providing consistent high-quality and high-standard customer services.

### Service enhancement

In 2021, Fosun Tourism set up the Customer Experience Department, starting its journey to improve customer satisfaction. We collect opinions from customers throughout our business chain by reaching out to them actively or passively, arranging mysterious visitors in experts' or objective perspectives. Taking key customer voices as important starting points, we cooperate with the whole industry to identify the troubles bothering our customers in travelling, and take quick actions with the subsidiaries to develop effective implementation and optimization plans and bring about positive effects.



We believe it is not touching enough to impress customers by just solving their troubles, and only with scientific and practical design of touching points that are perceivable for customers can we deeply touch customers' heart. During the Reporting Period, the Customer Experience Department organized customer experience workshops (nearly 200 hours in total) at Atlantis Sanya, Casa Cook and Miniversity to sort out the customer experience procedures and create the best experience.



Customer experience workshop at Atlantis Sanya



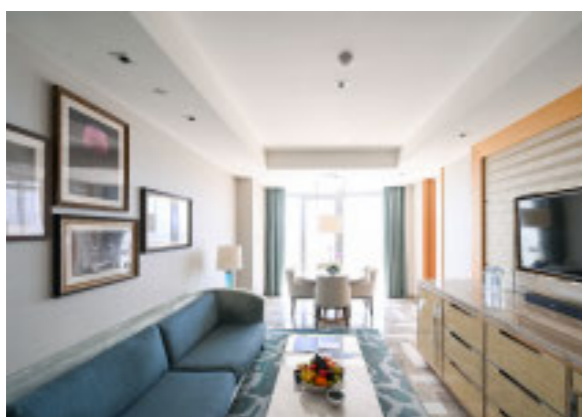
Customer experience workshop at Casa Cook



Atlantis Sanya Undertakes the Task of "Service Enhancement" on All Fronts

Attentive service is the main service highlight of Atlantis Sanya. In 2021, with the help of Fosun Tourism's EHSQ team, Atlantis Sanya launched the program of "service capacity enhancement" in an all-round manner. By optimizing the organizational structure of service quality supervisors, strengthening regulation on service quality and making improvements in various aspects such as concierge services, services related to facilities and soft furnishings, room services and entertainment area services, Atlantis Sanya fully promoted its service quality and living environment, and achieved steady improvement in customer satisfaction.

- In May 2021**  
 Atlantis Sanya carried out the "Welcome to Atlantis" project in all directions to enhance the service quality across the whole process of concierge.
- In August 2021**  
 Atlantis Sanya implemented the "Daily Service Inspector Plan" to improve the living environment for customers by performing routine inspection on the hotel facilities and soft furnishings and following up on the items to be rectified.
- In September 2021**  
 Atlantis Sanya started the "Mini Mysterious Visitor" project, aiming to detect deficiencies in guest rooms, Waterpark, Aquarium and all restaurants in the resort from a non-guest perspective and make constant improvements based on the deficiencies spotted, so as to provide customers with better services and experience.



Improvement of occupancy environment



Improvement of service experience

Enhancement of customer satisfaction

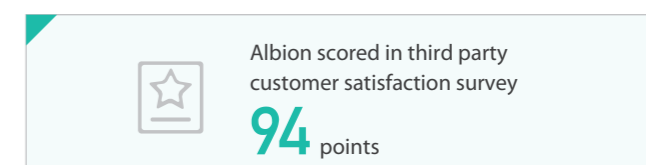
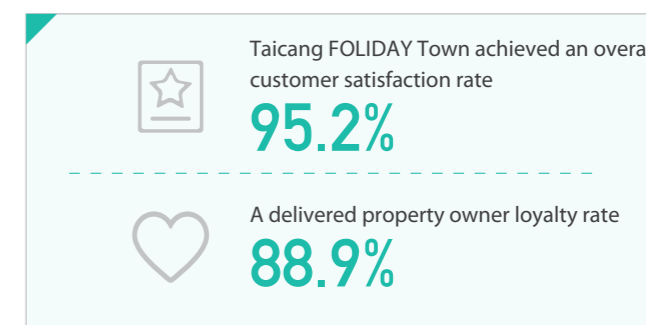
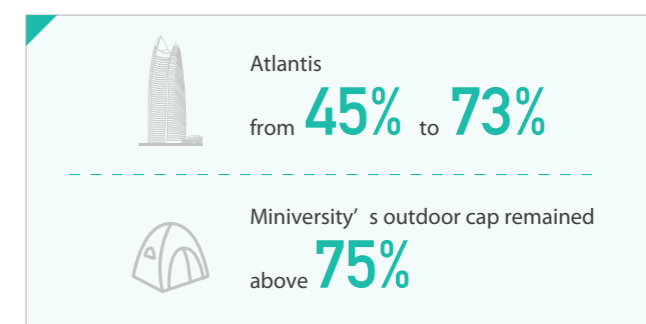
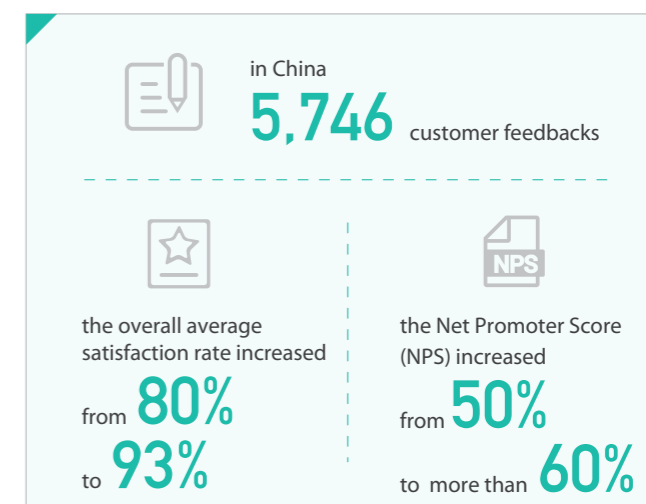
Customer satisfaction has always been our driving force. We collect suggestions and opinions from customers through multiple customer communication channels and customer satisfaction surveys. We constantly evaluate our products based on customer feedbacks to upgrade customer experience.

The Group has established a customer satisfaction survey system for market users. During the Reporting Period, we collected 5,746 customer feedbacks in China through data center, and the overall average satisfaction rate increased from 80% to 93%, while the Net Promoter Score (NPS) increased from 50% to more than 60%.

Atlantis had the NPS increased from 45% to 73%, and Miniversity's outdoor cap remained above 75%. Taicang FOLIDAY Town achieved an overall customer satisfaction rate of 95.2% and a delivered property owner loyalty rate of 88.9%. Albion scored 94 points in third party customer satisfaction survey, reaching the leading level of the industry.

By cooperating with third-party companies, the Group conduct weekly analysis on our appearance to domestic customers and all their comments, no matter positive or negative, to find out deficiencies, provide practical suggestions for improvement, and drive the rectification of problems. During the Reporting Period, the average net satisfaction rate (NSR) of Atlantis Sanya, Club Med (China), Albion and Thomas Cook Platform (TCP) reached 87%.

During the Reporting Period, our customer experience enhancement efforts achieved positive results, demonstrated by the score and customer comments on Online Travel Agency (OTA). As of the end of the Reporting Period, the overall rating on the Group's subsidiaries from all OTA channels increased by 0.05 to 0.1 points from the beginning of 2021 in average. Leading enterprises such as Atlantis Sanya scored 4.8 points or above, while other projects scored 4.7 or above in average. Club Med Global analyzed the global resort customer satisfaction index through the Review Pro Platform, on which the comprehensive average score of Global Reputation Indicator (GRI) was 93.










### ■ Communication with customers

The Group values the communication with customers, and is committed to providing customers with diversified channels for communication. We have opened various channels like email and official website to collect customer complaints and feedback and ensure the proper handling of every customer complaint.

In addition to the multi-dimensional interaction and communication channel, Thomas Cook Platform(TCP) has also set up a customer service center mainly focus on on-line customers. In combination with telephone answering, the platform provides pre-sales and after-sales consultation and interaction services. The whole communication process and contents are recorded in detail based on the online chatting history, conversation label, summary of phone call and call history. During the Reporting Period, the customer service center received nearly 170,000 consultations in total, which were responded to within 30 seconds in average. For such consultations, the customer service center answered nearly 70,000 phone calls with a connecting rate of 90%. The customer satisfaction rate reached above 90%.

During the Reporting Period, Fosun Tourism Group received in total from the customer service feedback channels **171** feedbacks of all kinds, with an year-on-year decrease of **27.8%** in number of complaints compared to 2020, the feedbacks were **100%** handled, the average settlement time was no more than **48** hours.

 Feedbacks from email  
folidayts@fosunholiday.com

 Feedbacks from official website  


### ■ Digital-driven

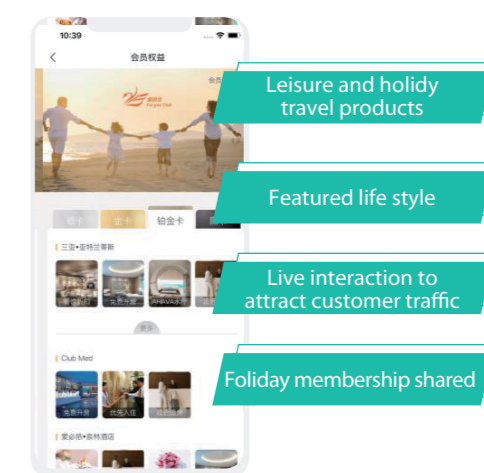
In July 2020, we launched the Thomas Cook Lifestyle Platform, a C2M ecosystem-based platform that could directly connect to customer end. Thomas Cook presents to its members a host of Fosun Tourism-operated leisure tourism products including Atlantis Sanya, Club Med, Albion, Fanxiu Entertainment, Miniversity, Foryou Ski, FHOTO, and recommends global vacation and living goods to meet family users' "vacation + life" full-scenario needs, demonstrating its commitment to becoming a scenario-based one-stop life service platform and creating more value for customers.

As of 31December 2021, this application had been downloaded for about 2.6 million times.



### Membership Loyalty Programme

Our loyalty programs include global Club Med Great Member loyalty program and Foryou Club. Foryou Club has integrated members from our various brands in the FOLIDAY ecosystem, including Atlantis Sanya, Club Med (Mainland China), Thomas Cook mobile application and other activities and services we provide.





## Quality Protection

During the development of the “FOLIDAY Town” project, we paid extreme attention to its design, construction and delivery quality and endeavoured to provide customers with high-quality products. We strictly abides by the *Regulation on the Quality Management of Construction Projects* and other laws and regulations, and have formulated an array of internal product quality management policies such as the *Fosun’s Operational Guidelines for Management of the Quality and Progress of FOLIDAY Project* and the *Fosun Tourism Group’s Operational Guidelines for Delivery of Properties in FOLIDAY Town*, so as to ensure that our customers are provided with safe, healthy and quality products.

### Acceptance Standards

We have made stringent acceptance standards. Before accepting any building, we conduct acceptance inspections from customers’ perspective through field inspection on product design, construction quality, delivery status and customer experience. For any deficiencies identified, we require timely rectification or plans, and closely follow up on the progress of rectification to strictly control the delivery quality.

### Delivery Process

In order to improve customer satisfaction, we have formulated the Guidelines for Delivery of FOLIDAY Town Properties Held for Sale, in which we clarify the responsible departments and their basic responsibilities, establish specific workflows and procedures such as the handling of objections on property delivery, the processing of sporadic delivery and future sporadic delivery to control project delivery risks effectively. We have incorporated customer satisfaction on delivery into performance assessment to ensure quality services for customers during the delivery.

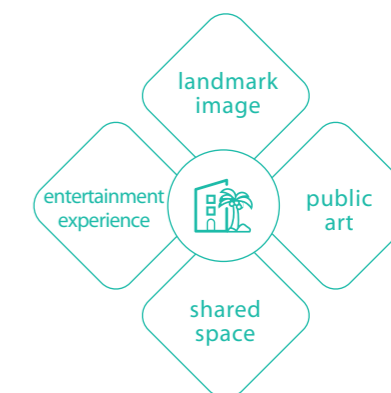
## Responsible Cultural Tourism

### Integration of Culture and Tourism

Relying on the industrial ecosystem, the Group pays close attention to the demands of villages, communities and cities, design and build cultural tourism products based on the original resources of villages and communities. We actively contribute to rural revitalization and drive in-depth integration of urban and rural industries.

#### Focusing on community demands

Taicang FOLIDAY Town incorporates the concept of promoting the integration of tourism and community into site selection planning and operation. Fully considering the demands of communities, we strive to create public spaces to meet people’s needs for dining, shopping, entertainment, residence, travel and rest, and develop a tourist resort integrating landmark image, public art, entertainment experience and shared space.



During the Reporting Period, Taicang FOLIDAY Town project delivered a total of 407 households, among which 271 customers participated in the satisfaction survey: the survey coverage rate was 66.58%, overall customer satisfaction rate 95.20%, and average satisfaction rate 94.00%; Lijiang FOLIDAY Town project achieved an overall customer satisfaction rate of 96.60%, and an average satisfaction rate of 96.82% in all dimensions.

#### Respect to ecology

Taking into account the existing waters and natural landscapes within the site, we adhere to the principle of respecting ecology, and organically integrate the planned buildings with them to create unique scenic spots for the FOLIDAY project.

#### Creating seamless transportation connections

During project designing and planning, we fully consider the adaptability to the surrounding transportation, striving to achieve seamless transportation connections. Multiple public transportation modes such as subway, bus and tram are planned around the FOLIDAY project to ensure a comfortable walking distance from the bus station to the park. Walking corridors and bicycle lanes are also designed within the FOLIDAY Town. All functional buildings are connected in series via a two-storey structure to facilitate accessing to each spot within the FOLIDAY Town.

#### Barrier-free inclusive design

Fully considering the safety and convenience of the disabled, the elderly, pregnant women, children and other social members, we arrange barrier-free supporting facilities during project planning. Barrier-free passages are planned for the project, and the pedestrian path, the building base, the main entrance and exit of the building, doors, public service facilities, parking spaces are all designed with barrier-free ramps.



## ■ Supporting rural revitalization

Lijiang FOLIDAY Town is one of Fosun Tourism's model projects of rural revitalization. Relying on local cultural heritage, we integrate the cultural and tourist resources of Baisha area and our industrial resources to build the "Baisha-Fosun Model, to promote the intensive integration of human, culture, land, industry and landscape.

### Baisha-Fosun Model

- **Art**  
Taking Baisha Ancient Street as the core, build an art block combining tradition and fashion.
- **Village**  
Taking Yuhu Village as the core, build cultural villages themed of cultural inheritance and intangible cultural heritage.
- **Tourist occupancy**  
With FOLIDAY Town as the core, build a high-quality one-stop travel and living destination.



#### Creating a new lifestyle

We will build Baisha Ancient Street and Xinshan Village into a demonstration base for rural revitalization boasting "thriving businesses, eco-friendly environment, civilized neighbours, effective governance and prosperous life". We will boost industrial development, improve local life, and engage with local residents to build harmonious communities jointly and share achievements.

#### Inputting industrial resources

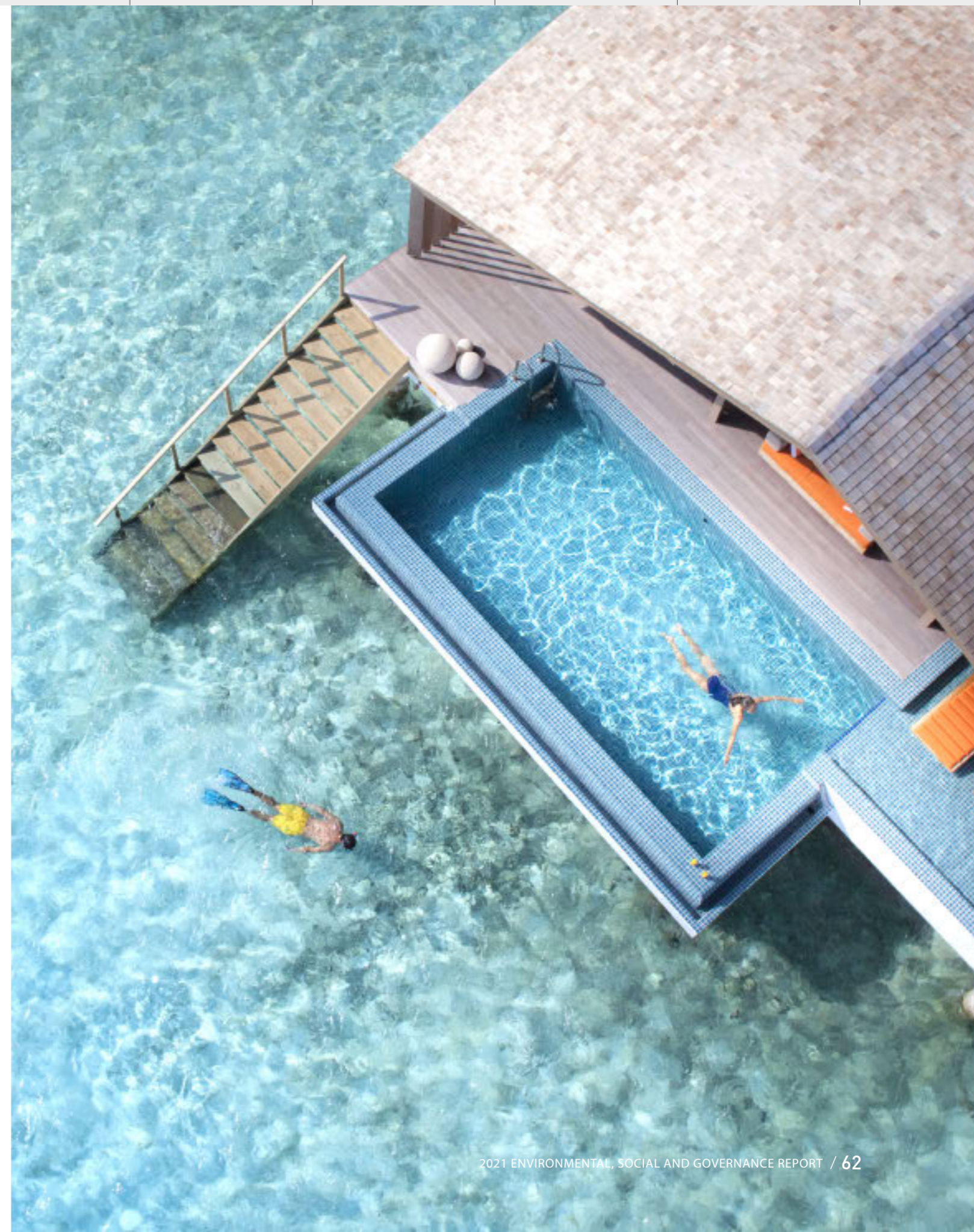
Taking art industry as the mainstream industry, we will rely on the Dayan Ancient Town and the Shuhe Ancient Town to extend the Lijiang art industry chain;

Taking parent-child industry as the strategic industry, we will drive the transformation and development of the whole Baisha area with parent-child experience, and introduce emerging industrial projects such as intangible cultural heritage, parent-child study and nature education;

Taking holiday industry as the advantageous industry, we will pay equal attention to residents' life quality and tourists' accommodation environment, to make it a worldwide renowned resort destination.

#### Innovating rural operation

Under the tripartite cooperation model involving local Party organizations, village cooperatives and enterprises, we will develop demonstration projects for rural revitalization that integrate agriculture and tourism, including tourist transportation center, smart farm breeding base and hiking trail for snow mountain exploration. With innovative operation methodology, we will turn resources into assets, assets to funds, and accelerate the common prosperity of the village.





## Animal welfare

Animals play important roles in the tourism industry considering their value in natural and cultural heritages protection, and contribute to the attractiveness of the tourist destination. We actively prompt the subsidiaries to take various measures to ensure that animals could be treated in an appropriate and humane manner during business operations.

### Club Med's Animal Welfare Policy

The *Animal Welfare Policy* of Club Med has been published and implemented for several years. Club Med worked alongside specialists for several repetitious years to identify acceptable practices, select suppliers and support them to adopt best practices.



### Club Med's Commitment to Animal Care

#### Activities involving elephants

Since 2021, all Villages operate only elephant observation activities without interaction with the animals. Circus shows, riding and bathing with elephants activities have been stopped, as well as activities involving direct interaction.

#### Cetaceans in captivity

Since end-Aug of 2021, all Villages only sell activities to observe cetaceans in the wild. Club Med and the World Cetacean Alliance (WCA) co-created the first international guidelines on cetaceans observation *Global Best Practice Guidance on Responsible Whale and Dolphin Watching*<sup>5</sup>. For better protection of wild cetaceans, an inventory and training programme on the *WCA & Club Med guidelines* has been deployed for Club Med suppliers for the observation of wild cetaceans.

#### Wild animals

Since 2021, all villages only sell observation of animals in the wild. By the end of 2020, all wild interaction activities has been stopped; the use of wildlife as photographic props was no longer allowed; fur items selling will be forbidden by the end of year 2022 in Club Med boutiques.

#### Working animals

Starting 2022, Club Med will encourage further its suppliers to ensure animal welfare through a dedicated *Animal welfare charter* and an audit procedure of supplier's practices in terms of animal welfare.

#### Sea turtles

In all resorts located in a turtle nesting site, partnering with local experts, Club Med commits to protecting turtles by securing the nests, ensuring non disturbance, and raising awareness. Club Med will keep the *Turtle Protection Guide*<sup>6</sup> available to its staff and follow its right application.

<sup>5</sup>*Global Best Practice Guidance on Responsible Whale and Dolphin Watching*: In 2018, Club Med sponsored the creation by the WCA of the first international guidelines on cetaceans observation *Global Best Practice Guidance on Responsible Whale and Dolphin Watching*. This document highlights best practices and unacceptable practices for observation by boat and by swimming.

<sup>6</sup>*Turtle Protection Guide*: In 2013, Club Med developed an internal guide on turtle protection based on specialists' advice to raise awareness among teams and support them in their action of protecting turtles on site. The guide contains information on marine turtles and their threats, as well as advice on actions that can be implemented by Club Med resorts to help these animals.



### Protection of Marine Animal Welfare at Atlantis Sanya

Atlantis Sanya attaches great importance to the protection of animal welfare within the scope of operation, and endeavours to create a safer and more comfortable living environment for animals in the Aquarium and the Dolphin Island through feeding water quality improvement, physical and mental health care for animals and themed education for customers, so as to fully protect the welfare of marine animals.

#### Animal care practices at Atlantis Sanya

##### Improvement of feeding water quality

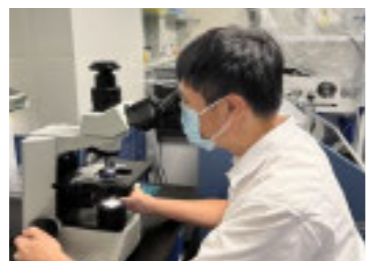
We establish operation procedures for ozone regulation; adjust the equipment operation status periodically according to annual and seasonal changes; carry out preventive adjustment and maintenance; adjust the equipment operation status in time when abnormal water quality indicators are detected in the monitoring every two hours.

##### Physical and mental health care

- We establish individual profile for the animal, and perform daily routine physical examination and regular in-depth health examination for marine animals, including body temperature check and body surface examination, blood sampling and ultrasonic testing. We also employ well-known veterinary consultants in China to conduct health assessments on animals and train medical staff.
- We conduct professional nutrition monitoring and follow the feed composition and feed amount recommended by the veterinarian. The storage and handling of feed are strictly controlled in accordance with SOP to ensure the safety, health and appropriateness of feed.
- Marine animal trainers receive regular training on ATLANTIS Marine animal training regulations and policies.
- We arrange appropriate daily learning contents according to the situation of marine mammals, and provide different types of animal toys to ensure the mental health of animals.



Health examination



Nutrition guarantee



Psychological care

#### Themed education for customers

Science popularization and education publicity activities (including interpretation in science popularization corridor, exhibition on animal care in dolphin area, exhibition on free socialization of sea lions, and zoo psychological and ethological games) have long been carried out on the Dolphin Island to raise customers' knowledge of marine mammals and raise their awareness of animal protection.

## Responsible Marketing

We follow the *Advertising Law of the PRC* and other applicable laws and regulations in China and overseas operating locations, and conduct publicity in a responsible manner. According to the relevant regulations in the *Fosun Brand Handbook*, we ensure that all advertising and marketing activities are subject to internal review and are accurate and compliant. We do not conduct any false, misleading, fraudulent or unfair, unclear or ambiguous marketing. We strictly provide clear and complete information to customers, actively communicate necessary information with customers, and guide consumers to make rational consumption decisions. At the same time, employees' awareness of responsible marketing is enhanced through online and offline compliance training courses held on an irregular basis.

### Marketing compliance training

On 26 November 2021, the Fosun Tourism Innovation and Leadership Center and the Legal Affairs Department jointly conducted the "marketing compliance training" to enhance the risk aversion awareness of employees and those in key positions in the marketing process. The training focused on issues concerning data compliance, advertising law and intellectual property rights in marketing. Employees from all marketing lines of Fosun Tourism participated in the training. Those courses were recorded and are available on the company's online learning platform for all employees to watch and learn.







# 04

## Care for the Earth

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## Care for the Earth

As one of the world's leading tourism conglomerates, Fosun Tourism is deeply aware of our responsibilities in tourism security, environmental protection, quality-oriented education, community respect and other respects, and is actively engaged in creating a health and attractive form and style of tourism. We focus on protecting the finite resources of the earth and contribute to building sustainable cities and communities through improving environmental management system, raising the environmental awareness of our employees and customers, actively addressing climate change and deploying innovative plans.

## Environmental Commitments and Management Policies

### Environmental Commitments

Environmental issues such as climate change, water shortage and natural resource consumption are gradually posing threats to our society. The government is also making more active efforts to formulate policies, laws and regulations to meet the emerging environmental challenges. The Group strictly complies with laws and regulations applicable to our business operations for environmental protection. In order to meet the requirements of laws and regulations, our subsidiaries and operating locations formulate corresponding guidelines and policies according to their respective scale, location and nature of business. In addition, we carefully supervise and assess environmental performance, risks and monitoring measures.

In order to clearly assess our progress, the Group sets performance goals for various environmental areas, and drives the achievement of these goals through our comprehensive environmental management system and means, while performing regular review on them.



#### Pillar of sustainable strategy

Care for the Earth



#### Our commitments by 2030

- 100% resorts get or obtain an eco-certification (BREEAM Good minimum or equivalent, LEED (silver), or equivalent) for new built and deep renovations
- 100% resorts get or keep GreenGlobe/EarthCheck /Green Hotel or equivalent
- Reduce carbon intensity by 40% (GHG scope 1&2) (2019 baseline)
- Reduce energy consumption intensity by 30% (2019 baseline)
- Reduce water use intensity by 10% (2019 baseline)
- Reduce waste output by 30% (2019 baseline)
- Achieve a maximum of renewable electricity use
- Protect biodiversity both during construction and operation stage
- Promote environmental awareness through staff and customer activities
- Encourage suppliers to set goals and validate through auditing and incentive programs

### Management Policies

The Group strictly follows the *Environmental Protection Law of the PRC*, the *Environmental Protection Tax Law of the PRC* as well as the laws and regulations for environmental protection of the places where the operations involve, and sets up the "EHSQ Department" to supervise the implementation and promotion of environmental protection work of the Group as a whole.

We continue to improve our environmental management system and have formulated a series of environmental management policies such as the *Fosun Tourism Group EHSQ Policy* and the *Fosun Tourism EHSQ Performance Index Management System*. During the Reporting Period, the Group had no significant violations of relevant environmental laws and regulations.

We further implement management responsibilities by establishing the environmental management responsibility mechanism. During the Reporting Period, Atlantis Sanya established the accountability system and reward and punishment mechanism for energy conservation and emission reduction, as well as the accountability system and assessment system for water management targets. The results of energy and water conservation were linked to the salary, reward and punishment of the corresponding responsible personnel. We established EHS committee in each of our subsidiaries, which meet monthly to discuss EHS-related issues and oversee the implementation of EHS work.



#### Supplementary information

*Fosun Tourism Group EHSQ Policy*



#### Progress made in 2021

- 100% of Club Med villages that are opened or in construction in 2021 are eco-certified or in process (including BREEAM or equivalent)
- 94% of eligible<sup>7</sup> Club Med Resorts are Green Globe certified; Atlantis Sanya was awarded "China Five-leaves Green Hotel" and obtained EarthCheck silver certification for two consecutive years (including the Reporting Period)
- 13% of all electricity consumed in Club Med Resorts will come from renewable sources (EDF green certificates and photovoltaic electricity either produced in villages or purchased) and 47% of its villages uses electric vehicles
- Atlantis Sanya purchased and write off Verified Carbon Units (VCUs) to complete the carbon neutralisation of a total of 15,139 tonnes, and was awarded the carbon neutral certificate by the China Quality Certification Centre (CQC)
- Protect biodiversity both during construction and operation stage
- All employees received environmental awareness trainings

#### Note



With the normalization of the epidemic, the Group's business and various facilities have gradually resumed, yet our hotel night sold have not returned to the pre-epidemic level. Thus the carbon emission intensity, energy consumption intensity and water consumption intensity are not comparable to those numbers before the epidemic; as such, the abovementioned four categories' 2021 performance are not compared to those in 2019 and are not stated in the above table.

<sup>7</sup>Eligible resorts include all resorts between one year after opening and two years before closing.



■ Project lifecycle management

The Group established cooperative relations with the stakeholders during the project lifecycle, and implemented the concept of lifecycle in investment planning, asset design and construction as well as business operations. We conducted environmental protection management in green construction and business operations in accordance with internationally recognized standards of sustainable tourism and green building certification, and were committed to minimizing our negative impact on the environment and natural resources.

Investment Planning

Project selection

Avoid target companies that will have negative impacts on the environment

Give priority to those enterprises with good ESG performance (such as environment protection, employee care and social contribution)

Enterprise survey

Pay attention to the environmental protection measures of enterprises and list the negative impact related to environmental protection as the risk points

Pay attention to the initiatives of enterprises in social activities and list the targets with some negative social effects as major risk points

Pay attention to cost reduction and efficiency enhancement on the premise of ensuring employment and welfare of employees despite the COVID-19 pandemic

Asset Design and Construction

Green building

Hotels are designed in accordance with internationally recognized green building standards to create energy-saving and environmental protection building

Club Med committed to obtain an eco-certification (BREEAM Good or equivalent) for villages built as well as for large-scale renovation

Low impact development

Adhering to the principles of "development under protection" and "protection under development", conduct low impact and fine-grained development and strictly implement the environmental assessment system

Business Operations

Advocate sustainable tourism

Conduct environmental protection management during business operations in accordance with the internationally recognized standards of sustainable tourism or green building certification

Roll out eco-environmental publicity activities for employees, customers and partners

Environmental management

Corresponding environmental management departments have been established in the course of business operations to promote the implementation of environmental protection measures: Atlantis Sanya has set up an energy conservation and emission reduction group, and established the accountability system and reward and punishment mechanism for energy conservation and emission reduction as well as water conservation; Club Med resorts have established technical departments and managers

Conduct real-time monitoring of environmental impact during the business operations by virtue of environmental management platforms and digital tools, such as the energy monitoring platform of Atlantis Sanya, Club Med Tech Care data collection tool, etc.

Environmental considerations during project lifecycle





Practice Green Building and Low Impact Development to Create A New Vacation Ecology - FOLIDAY Town

In line with local conditions, all buildings of the Taicang FOLIDAY Town project have been put forward relevant requirements of green building design, construction and operation to fulfil the scientific and reasonable, ecological, green and environment-friendly needs of building design. They are high-quality buildings where man lives in harmony with nature.

Green design

We conduct site design and architectural layout of all buildings in accordance with geographic features, and the layout of the buildings is adapted to the climatic and geographical conditions of the site. We also organize and utilize the wind, light, thermal and acoustic environment of the site and make full use of the original natural elements of the site to reduce changes to the construction site and surrounding ecosystem.

Green construction

In the construction stage, we adhere to the principles of environmental protection and pollution reduction, and strictly control the environmental impacts, including energy conservation, water conservation, waste treatment, dust control, noise control, sewage treatment, etc.

Green operation

We adopt the solar hot water system and solar photovoltaic power generation system, use energy-saving lamps and functional equipment (air conditioner, elevator, etc.), and apply natural lighting and natural ventilation indoors to reduce energy consumption. At the same time, the greening irrigation adopts water-saving irrigation and uses the rainwater collection and reuse system to reduce the use and waste of water resources.



Lijiang FOLIDAY Town Mediterranean International Resort fully adheres to the local construction principle of Lijiang, adopts the concept of sustainable development and use local crafts, ecology and construction methods that local villagers may participate in, to maintain a high degree of site-specific and natural integration. The construction energy conservation rate of the project exceeds 52%, and the inferior water resources utilization rate is nearly 18%.

Construction Principles



Use low-tech and ecological construction methods that local villagers may participate in

Strong locality and integration with nature

Environmental Performance of Taicang Foliday Town and Lijiang Foliday Town in 2021

	Total water consumption (m <sup>3</sup> )	Total energy consumption (MWh)	Greenhouse gas emissions - Scope 1 (Tonnes)	Greenhouse gas emissions - Scope 2 (Tonnes)	Total greenhouse gas emissions - Scope 1 + Scope 2 (Tonnes)	Greenhouse gas emission intensity (by building area) (Kg/m <sup>2</sup> )
2021	206,975	5,156	57	3,087	3,144	6.41



As of the end of the Reporting Period, most of our hotels and resorts had obtained a series of internationally recognized sustainable tourism or green building certifications, including Building Research Establishment Environmental Assessment Method (BREEAM), Green Globe<sup>®</sup>, EarthCheck, national green buildings and the United States LEED green building certification.

Atlantis Sanya	Club Med	FOLIDAY Town
<p>Green Building Design and Operation Certification, the highest level of Chinese green building certification, issued by the Chinese Society for Urban Studies</p> <p>LEED Gold Building Design and Construction Certification issued by the U.S. Green Building Council</p> <p>EarthCheck silver certification in the leading environmental certification and benchmarking program for the global tourism industry</p> <p>National Quality Engineering Award issued by China Association of Construction Enterprise Management</p> <p>China Five-leaves Green Hotel Certification</p>	<p>100% of Club Med villages that are opened or in construction in 2021 are eco-certified or in process: 2 resorts have been certified (La Rosière, Lijiang) as green buildings (including but not limited to BREEAM certification, etc.), 3 others for which certification is still pending</p> <p>6 new resorts newly certified Green Globe in 2021(3 more for which certification is still pending). 94% of eligible<sup>9</sup> resorts are Green Globe certified by the end of 2021</p>	<p>Taicang FOLIDAY Town received a Certificate of Green Building Design Label (Two-Star)</p> <p>Lijiang FOLIDAY Town Club Med Resort received a Certificate of Green Building Design Label (Two-Star)</p>

<sup>8</sup>The Green Globe certification has indicators covering the entire corporate social responsibility process of sustainable tourism. The certification verifies energy and water conservation, waste management, pollution risk control, biodiversity conservation of the operating locations and the existence and effectiveness of ecological procurement policies in the environmental context.

<sup>9</sup>Eligible resorts include all resorts between one year after opening and two years before closing.

## Strengthen Awareness

The Group believes that ecological protection and conservation is attributed to the efforts of all employees. During the Reporting Period, we conveyed ecological living principle to our employees and customers in order to improve their environmental protection awareness, and also incorporated the idea of ecological protection responsibility for biodiversity protection and animal care into our operations to promote characterized culture of sustainable tourism of Fosun Tourism root in the enterprise.

### ■ Raise employees' awareness

We carried out environmental protection awareness training for employees in our hotels and resorts.

Environmental Awareness Training for Employees in Atlantis Sanya	Environmental Awareness Training for Employees in Club Med
<p>To create a cultural atmosphere of caring for the nature and protecting the environment, we have made it mandatory for the newly recruited staff to learn the basic knowledge about environmental protection and complete the test through the online program "Earth Evaluation" hosted by Academy V. In the meantime, we have also accepted the offline one-hour courses including the "Energy Conservation and Emission Reduction Awareness" and the "Environment, Health, Safety and Quality Culture". As at 31 December 2021, the completion rate of all courses reached 100%.</p> <p>Meanwhile, the resort has also provided our staff with online sessions on waste sorting in response to the "Waste Sorting" program put forward by Sanya municipal government in 2020. As of 31 December 2021, the completion rate of the course was 100%. During the Reporting Period, the course "Creation of Zero-waste Hotels" was also included in the online training courses for new employees, with the course coverage completion rate reaching 99%.</p> <p>In addition, various departments of the resort have organized related training sessions(e.g. Emission Peak, Carbon Neutrality), advocating employees to embrace green office, save energy and electricity, and refuse the use of disposable goods.</p>	<p>In all Club Med resorts certified by Green Globe, all GO<sup>®</sup> and GE are trained on environmental issues and eco-friendly behaviour related to their position and resort life. Many resorts initiate or support local projects engaging employees in environmental protection: Beach Clean-ups, Protection of Sea Turtle Eggs, Coral Reef Preservation, and so on.</p> <p><b>Club Med's trainings offer a variety of environmental topics:</b></p> <p><b>Waste Sorting Training:</b> All Club Med's staff were trained about waste sorting rules per service. This training was done at the beginning of the season.</p> <p><b>Eco-gestures Training:</b> Regarding their service, all Club Med's staff were trained about concrete and specific eco-gestures to adopt at work.</p> <p><b>Happy to Care Training:</b> Club Med's GO<sup>®</sup> were informed about village's ESG strategy and ongoing projects to preserve the resource, decrease the waste, and support local development.</p> <p><b>Bye-Bye Plastics Training:</b> Club Med's GO<sup>®</sup> were trained about our new standards of in-room amenities upon request. They were informed about Corporate commitments and sensitized about plastic pollution issue in order to deliver a consistent message to our guests.</p>



■ Raise customers' awareness

We believe it is our responsibility to raise the customers' awareness of the fragility of nature and environmental issues their destinations are facing, as well as to encourage their participation in environmental protection.

Our main subsidiaries Club Med and Atlantis Sanya, We have displayed environmental awareness materials in the hotel rooms, to help penetrate environmental awareness into customers' holiday lives.

Environmental Publicity and Education

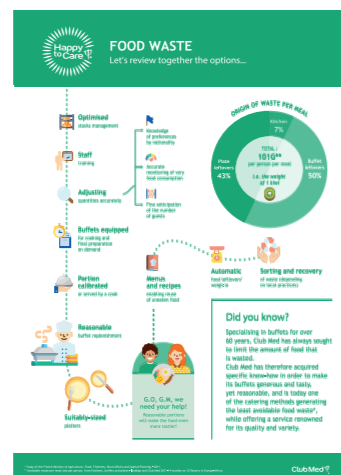
Club Med communicates on sustainable concepts such as water conservation, energy saving and protection of the natural environment to its guests through information boards and in-room information cards. The information boards and cards summarise the actions taken by the resort in terms of water, energy and waste management and biodiversity conservation, and invite guests to take environmental action when staying in their rooms or other eco-certified areas.

Atlantis Sanya posted a warm reminder suggesting the reuse of towels and other bathroom products in its hotel rooms, and placed a warm reminder sign of "protecting the environment, together with you and me".

In addition, posters advocating customers to reduce food waste are displayed at the main entrance of the restaurants in Atlantis Sanya.



Poster on the importance of not feeding wild animals and underwater wildlife



Poster call for fighting against food waste



"Clean Dish" proposal at Atlantis Sanya



Besides, we designed and integrated various environmental awareness campaigns into our travel business to raise customer's awareness of sustainable living along their journey.

Energy and carbon reduction awareness campaigns

Club Med informs its customers about transport-related greenhouse gas emissions through marketing materials and its website.

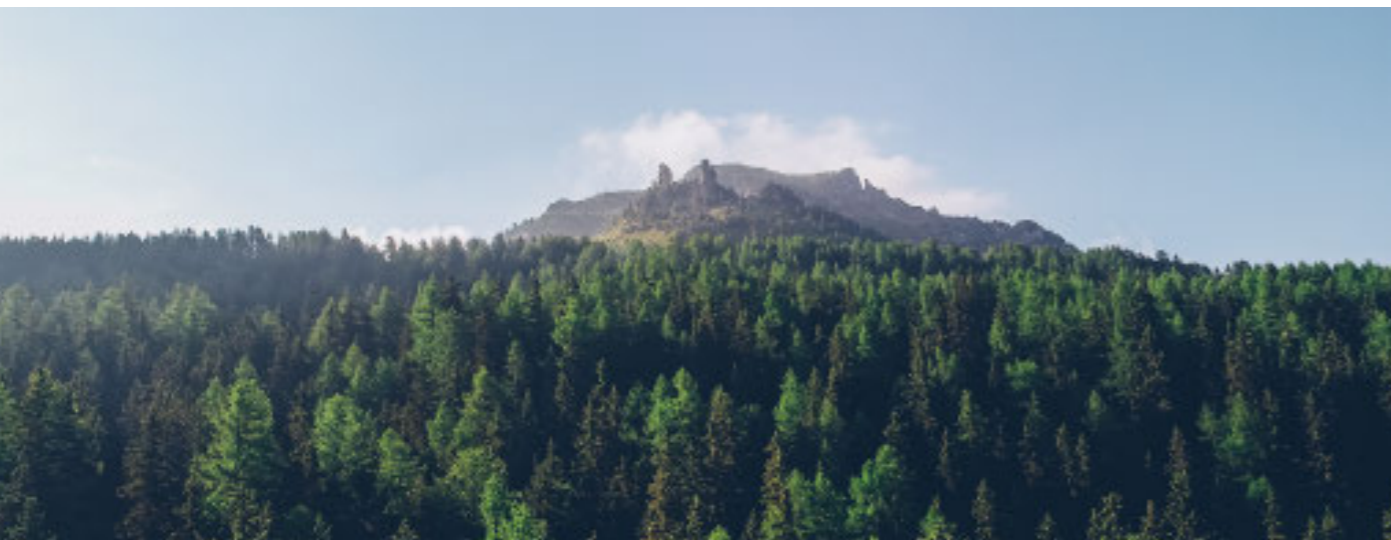
Biodiversity conservation awareness campaigns

Discovering nature: educational paths and walking tours: Instructive signs, nature trails, botanical booklets, aromatic gardens, themed walking tours, educational films, biodiversity information points, etc. These and many more activities and tools allow guests to better discover the natural wealth of the local surroundings.

Club Med Play: The Opio-en-Provence Village has offered an open-air environmental discovery game through a smart phone application, "Club Med Play" since summer 2016. The aim is to discover the natural treasures of the village and the proofs of its commitment during treasure hunt. Since then, this activity has also been deployed in Cherating (Malaysia), Guilin (China), as well as in Bali (Indonesia), Punta Cana (Dominican Republic) in 2019 and Seychelles in 2021.

In Kabira, Club Med's new excursion has successfully launched a stand-up paddle tour surrounded by the mangroves. On this excursion, GM® can discover the Island in a responsible way while learning more about the role of mangroves in protecting the ecosystem.





## Climate Change and Energy

The year 2021 marks the sixth anniversary of the *Paris Agreement*. The agreement provides a framework for global collaboration to limit global warming to well below 2°C, preferably to 1.5°C, compared to pre-industrial levels. The Group understands that it has a strong responsibility to address the challenges of climate change. Therefore, we are committed to improving climate governance capability, developing mitigation and adaptation strategies for climate change, and enhancing the disclosure of our climate-related information. We have established the ESG Committee to review and evaluate climate risks to actively cope with barriers posed by climate change.

The Group has established the energy conservation and carbon reduction target of "Reduce carbon intensity by 40% (GHG scope 1&2) by 2030 (2019 baseline), Reduce energy consumption intensity by 30% by 2030 (2019 baseline), and Achieve a maximize of renewable energy", to reduce its impact on climate change and strength climate resilience.

### Response to Climate Risks

The Financial Stability Board (FSB) established the Task Force on Climate-related Financial Disclosures (TCFD) in 2015. The TCFD aims at developing uniform guidance for enterprises to disclose climate-related financial risks, to facilitate listed companies' reporting on their exposure to climate-related risks to investors and other stakeholders.

In accordance with TCFD recommendations, the Group has conducted a preliminary climate risk assessment to better understand climate risks associated with our businesses. Leveraged on information collection, risk identification, data collection, risk assessment and other channels, we prepared a list of climate-related risks based on scenarios RCP2.6 and RCP8.5 from aspects of both physical risk<sup>10</sup> and transitional risk<sup>11</sup>.

We plan to further strengthen and improve management strategies and preventive measures to cope with the impacts of climate change.

<sup>10</sup>Physical risk: Acute risk caused by extreme weather events and chronic risk caused by long-term climate change.

<sup>11</sup>Transitional risk: Risks brought about by climate policy, technological innovation, market prospects, customer awareness and the future evolution of government programs during the transition to a low-carbon economy.

List of Climate-related Risks of Fosun Tourism					
Climate change risk (Level I)	Climate change risk (Level II)	Climate change risk (Level III)	Risk description	Financial impact	Responding initiatives
	Policy and law	Increase of price of greenhouse gas emissions Government authorization and regulation on existing products and services	Governmental authorities of certain countries have issued taxes aimed at encouraging enterprises to reduce greenhouse gas emissions and energy consumption (including France and Mexico) Fosun Tourism should bear the compliance cost and potential liabilities for requirements under laws and regulations of certain countries in relation to environment, health and safety, including storage and disposal of toxic/ harmful substances and penalties caused by lack of some certificates	Increase in operating costs (such as tax payment for carbon/ environmental protection, compliance costs and insurance fees increase, etc.) Decrease in the composition of net operating revenue	Low-emission alternative energy sources: 1. set targets for increasing the use of renewable energy and reducing their own dependence on fossil fuels 2. purchasing certified renewable energy 3. equipping resorts with photovoltaic panels, solar thermal panels, heat and cold recovery installations, heat pumps
Transitional risk					Transformation into a more efficient building: International/ nationally recognised green building related certifications and the development and adherence to internal standards for these certifications such as LEED, BREEAM, National Green Building Certification etc. The sustainability/efficiency of buildings that meet the relevant certification standards will continue to effectively reduce operating costs
	Technology	Replacement of existing product services with lower emission products and services	Given the enterprise size of Fosun Tourism, the supply of sufficient alternatives which comply with requirement may be challenge	Costs on implementing/ deploying new practices and processes	Enabling the value of new products and services: Integrating climate change elements into product development and service processes to improve the resilience of new products and services to climate risks, and to enhance brand value and operating income through new products and services Innovative low-emission products and services: Continuously explore and use advanced technologies and equipment to provide innovative solutions, such as innovative LED lighting for outdoor tennis court design, high-temperature heat pumps for sanitary hot water production instead of fuel systems, and digital solutions and management systems to effectively reduce operating costs



List of Climate-related Risks of Fosun Tourism

Transitional risk	Market	Change of customer behaviours in green consumption	With travelers' rising environmental awareness and the public and stakeholders' less focus on reducing its carbon footprint by the Company	Reduction in demand for service due to change to customers' preference	<p>Responding to the changing needs of the market (e.g. resorts/hotel buildings that comply with and have various internationally recognised green building certifications, in terms of energy, water and waste reduction)</p> <p>Adjusting its competitive direction and positioning, upgrading strategic partnerships and expanding into the tourism market: taking into account the changes in the market and the shift in consumer habits, it will create value for the transformation and upgrading of the tourism industry through product innovation and service upgrades to meet the needs of urban families for work and leisure holidays, and building the FOLIDAY ecosystem.</p>
	Reputation	Enhanced attention/negative feedback of the stakeholders	Changes in ownership / management, accidents or injuries, natural disasters, crimes, negative events of guests and other similar situations may damage the reputation of Fosun Tourism, and the relevant adverse publicity will cause customers to lose confidence.	Declining demand for holiday services Decline in service and reception capacity (closing and delayed opening of resorts / hotels)	Fosun Tourism needs to demonstrate its commercial sustainability in the event of a major event such as the above
Physical risk	Acute	Increased severity of extreme weather events such as typhoons, floods and droughts	More Frequent and severe extreme weather events will increase the risk of property damage (e.g. facilities and equipment)	Reduced revenue due to reduced sales/reception capacity	Strengthen infrastructure: actively integrate climate change elements into the design, construction and operation of resorts/hotels, especially in locations where operations are vulnerable to climate risks, in order to recover quickly from extreme weather such as floods and hurricanes, further enhancing the stability of the company's operations and avoiding loss of economic value
			May disrupt the food supply chain and affect the ability to serve customers Can have an impact on biodiversity around operations	Increased operating costs (e.g. increased costs of stabilisation and maintenance of facilities, increased food procurement costs, increased biodiversity conservation and restoration costs)	
	May increase the cost of associated insurance or make insurance difficult to obtain Also, prolonged closure of the resort/hotel would reduce revenue				
Chronic	Rising sea level	Partial resorts and tourist destination (Sanya) are located in coastal areas and are vulnerable to sea level rise		Decrease in operating income due to sea level rise affecting normal operations	
	Shortage of ice and snow resources caused by rising average temperature	Some of Fosun Tourism's resorts are ski resorts, and the shortage of snow and ice resources manifests itself in shorter snowfall and snow accumulation periods, which can affect the normal operation of ski resorts and increase the operational burden of resorts and tourist destination		Reduced revenue due to lower sales/reception hours. Increased operating costs (e.g. increased energy usage, increased investment in facility and equipment improvements, adoption of artificial snow enhancement measures, etc.)	



### Energy Conservation and Carbon Reduction

The Group strictly abides by the *Energy Conservation Law of the PRC* and other energy-related laws and regulations in the places where it operates, formulates the *Climate Change and Energy Policy*, and always advocates efficient energy utilization of its subsidiaries to reduce its operating carbon footprint and contribute to mitigating global warming. As the Group's carbon emissions are mainly derived from indirect energy consumption in our business operations, in order to achieve our 2030 carbon reduction target, we reduce the carbon emissions generated from our assets under management and business operations in the following ways:

- Apply new technologies or upgrade technical equipment to improve the energy efficiency of facilities and operations
- Promote and increase the use of renewable energy
- Use low-carbon and energy-saving products and materials
- Encourage suppliers and customers to reduce carbon emissions



Supplementary information  
*Climate Change and Energy Policy*



The Group's Scope 1 and Scope 2 GHG emissions in 2021 are as follows:

Greenhouse Gas Emission				
Category	Unit	2021	2020	2019
Scope 1 GHG Emissions	Tonnes of carbon dioxide equivalent	74,777	37,855	62,349
Scope 2 GHG Emissions	Tonnes of carbon dioxide equivalent	118,047	127,456	170,585
Reduced GHG Emissions	Tonnes of carbon dioxide equivalent	15,139	/	/
Total GHG Emissions	Tonnes of carbon dioxide equivalent	177,685	165,311	232,934
GHG Emission Intensity (by bed capacity)	Kg carbon dioxide equivalent/bed	19.77	22.20	17.63
GHG Emission Intensity (by hotel night sold)	Kg carbon dioxide equivalent/night	42.78	44.51	28.01
GHG Emission Intensity (by revenue)	Kg carbon dioxide/RMB 10,000 of Revenue	191.85	234.14	134.36

## Note



(1) Based on operating characteristics, our GHG emissions is composed mainly of carbon dioxide, which include the direct GHG emissions (Scope 1) released from fuel combustion, added with energy indirect GHG emissions (Scope 2) from purchased electricity and purchased heat. Total GHG emissions include all Club Med resorts and Atlantis Sanya (Waterpark, Show C Theatre, hotel, shopping street and Aquarium) of Fosun Tourism, but exclude emissions from Fosun's Shanghai headquarter office building, which will be included in the 2021 ESG report of Yuyuan, a subsidiary of Fosun International, for disclosure.

(2) GHG emissions contain only carbon dioxide and are presented in carbon dioxide equivalent. According to the *Fifth Assessment Report of the United Nations Intergovernmental Panel on Climate Change*, the global warming potential of carbon dioxide is 1. Based on the characteristics of the industry, GHG emissions are calculated by referring to the *Guide of Accounting and Report of Greenhouse Gas Emissions of Public building enterprises* released by the NDRC, the average carbon dioxide emission factors of grid in China or the IEA 2017 database.

(3) GHG emission reductions mainly represent the participation of Atlantis Sanya, a subsidiary of the Company, in a forestry carbon sink project in Le'an County, Jiangxi Province to purchase and write off Verified Carbon Units (VCUs) based on international Verified Carbon Standard (VCS) to complete the carbon neutralisation of a total of 15,139 tonnes of Scope 1 and Scope 2 GHG emissions generated from 1 April 2021 to 30 June 2021.

The Group commenced the disclosure of other indirect GHG emissions (Scope 3) data in the Reporting Period. The Group's Scope 3 GHG emissions in 2021 are as follows:

Category	Unit	2021
Employee business flight travel	Tonnes of carbon dioxide equivalent	8,859
Shuttle bus arranged for employees	Tonnes of carbon dioxide equivalent	112,729
Purchased municipal water	Tonnes of carbon dioxide equivalent	2,782
Sewage discharged to municipal pipe network	Tonnes of carbon dioxide equivalent	2,325
Travel of customer carried by the Group	Tonnes of carbon dioxide equivalent	97,571
Food purchases	Tonnes of carbon dioxide equivalent	91,907
Other purchases of goods and services	Tonnes of carbon dioxide equivalent	33,739
Fuel and energy related emissions	Tonnes of carbon dioxide equivalent	30,344
Waste generated in operations	Tonnes of carbon dioxide equivalent	7,756
Total Scope 3 GHG Emissions	Tonnes of carbon dioxide equivalent	388,012

## Note



(1) Employee business flight travel include the travel of employees of Fosun Tourism's headquarters and Club Med;

(2) Shuttle bus arranged for employees, Purchased municipal water and Sewage discharged to municipal pipe network includes statistics of Atlantis Sanya and Club Med;

(3) Travel of customer carried by the Group, Food purchases, Other purchases of goods and services, Fuel and energy related emissions, Waste generated in operations include only statistics of Club Med.



The Group actively encourages its major subsidiaries to set their respective emission reduction targets to facilitate the early achievement of the Group's targets. Among them, Atlantis Sanya took the lead in setting the carbon neutrality target, and committed to building low-carbon hotels, leading the hotel industry to respond to the national target of "Carbon peak and neutrality".

Topic: Atlantis Sanya, Leader of Low-carbon Hotels

Atlantis Sanya has adhered to the design concept of green development from the beginning of its design, and fully incorporated the concept of "Ecology and Sustainability" into the life cycle of building to endeavour to build up green, ecological, environmental and sustainable resorts in modern times. In the whole process of construction and operation of the project, through formulating detailed engineering plan and strictly controlling construction procedures and engineering quality, the Atlantis Sanya project has obtained the "Green Island Cup" of Hainan construction engineering, the National Certificate of Three-star Green Building Design and Operation Label, the "National Quality Engineering Award - Luban Award", LEED - Gold Certification issued by the U.S. Green Building Council, Green Globe silver certification, "China Five-leaves Green Hotel", "Water-saving Hotel in Hainan Province" and other honors and awards. It won the EarthCheck silver certification and other honors in 2020 and 2021, setting a new benchmark for domestic sustainable development.

In 2021, Atlantis Sanya set clear emission reduction targets and emission reduction paths to promote the construction of low-carbon hotels.

During the Reporting Period, Atlantis Sanya made progress in energy conservation and emission reduction work, and achieved a significant reduction in energy consumption intensity and GHG emissions through technological innovation, technological investment, equipment optimization, and employee awareness enhancement. In 2021, the total electricity consumption decreased by 4.44%, and the total gas consumption decreased by 4.60% in comparison with 2020.



By 2030, reduce the intensity of Scope 1&2 GHG emissions by 50% compared to 2019 and strive to reduce Scope 3 carbon emissions



By 2040, achieve net-zero GHG emissions in Scope 1&2

Improve energy efficiency



- Develop the best energy-saving SOP, optimize equipment operation strategies, and regularly maintain and upgrade technical equipment. During the Reporting Period, we implemented numerous improvements in lighting, refrigeration, water supply and heating, elevators and other aspects, including but not limited to the transformation of ozone disinfection equipment for marine life-support system, optimization of the operation of Waterpark floating river equipment, installation of boiler flue gas heat recovery and flash steam heat recovery, LED lamp transformation, installation of water pump frequency converter and other measures to reduce energy consumption; and reasonably adjusted the existing systems in line with needs, including boilers and refrigerants, to ensure that the energy-saving performance of the system is in the best state
- Use the energy monitoring platform to timely adjust energy-saving measures and optimize the performance of energy efficiency

Utilization of renewable energy

Carbon offset

Strengthen the energy-saving awareness of all employees

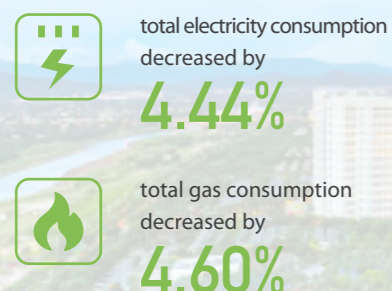
- Promote the use of photovoltaic power generation
- Purchase green power and low carbon power
- Improve the solar water heating system and enhance the heating efficiency of the system
- Actively conduct afforestation
- Participate in voluntary emission reduction projects to offset Scope 1&2 greenhouse gas
- Incorporate energy conservation and emission reduction training into new employee training courses, enabling understanding of energy conservation and environmental protection policies of Atlantis Sanya
- Establish the accountability system and reward and punishment mechanism for energy conservation and emission reduction to link the results of energy conservation with the performance and bonus of relevant responsible persons

During the Reporting Period, Atlantis Sanya participated in the forestry carbon sequestration project<sup>12</sup> in Le'an County, Jiangxi Province, purchased and offset Verified Carbon Units (VCUs) based on the international Verified Carbon Standard (VCS), and completed the carbon neutrality of 15,139 tons of Scope 1&2 GHG emissions from 1 April 2021 to 30 June 2021. After carbon verification by the China Quality Certification Centre (CQC), Atlantis Sanya passed the project and was awarded the carbon neutral certificate by the CQC on 18 October 2021. That is also the first carbon neutrality certificate obtained by tourism enterprises in Hainan Province.

In the future, Atlantis Sanya will continue to explore alternatives for energy conservation, emission reduction as well as clean energy, raise carbon neutrality awareness among employees and customers, advocate low-carbon consumption and green consumption, further extend the scope of carbon emission accounting and carbon neutrality to the upstream and downstream value chains, and actively leading the industry in energy conservation and carbon reduction.



<sup>12</sup>The forestry carbon sequestration project in Le'an County, Jiangxi Province: Launched in 2006, it is the first forestry carbon sequestration project related to forest management in China based on the international VCS.







## Club Med works on energy- saving and carbon reduction

Club Med has long been convinced that the tourism of tomorrow, the one that will remain, will need to be low-carbon, resource-efficient, respectful of countries and people.

In 2006, Club Med carried out the first LCA (Life Cycle Assessment) of a resort; in 2019, it updated and completed the calculation of its carbon footprint in order to continue its search for a path to reduce its GHG emissions.

In 2018, a "Science-Based Target" approach has been initiated to estimate what reduction targets would be in line with scientific recommendations in order to limit warming to 2° C. In 2018, initial work focused on scopes 1 and 2. In 2019, it was completed with scope 3 and the definition of +2° C trajectory compatible with the *Paris Agreement*. In 2021, a tool to help calculate trajectories was developed in-house.

In concrete terms, this reduction is achieved by reducing CO<sub>2</sub> emissions through the location, construction and operation of resorts.



### Improve energy efficiency

#### ● Reduce energy needs

Improve energy efficiency in Villages through bioclimatic design for new buildings and retrofitting for old one through strong insulation, double flow ventilation, heat pumps and heat recovery systems whenever possible and implementation of building management systems

#### ● Regularly upgrade facilities

In 2021 Club Med has taken the following main upgrading measures:

- Install daily energy monitoring systems in 21 resorts
- Install heat pumps using CO<sub>2</sub> (and therefore no refrigerant gas) in 3 French resorts
- Optimize the energy distribution network when replacing boilers in Opio-en-Provence (France)
- Upgrade the efficiency of air conditioning systems in Ebenezer (Mauritius)
- Replace halogen lamps with LED lamps in several resorts



### Renewable energy using

Within the reporting period, Club Med continued to promote the use of renewable energy schemes. By the end of the reporting period:

- 13% of all electricity consumed will come from renewable sources (EDF green certificates and photovoltaic electricity either produced in villages or purchased)
- 11% of villages are equipped with photovoltaic panels (13,300 sqm + 12,000 sqm in 2020 on Punta Cana (Dominican Republic))
- 22% of villages are equipped with solar thermal panels (2,500 sqm) meeting an average of 25% of resorts' hot water requirements
- 28% of villages have refrigeration heat recovery units (vs 27% in 2020)
- 25% of villages are installed heat pumps as of 2021 (vs. 23% in 2020)
- 2% of villages (China region) implemented geothermal and wind power
- 47% of its villages uses electric vehicles, and this figure will be amplified in future



### Other energy saving and carbon reduction measures

#### ● Reducing GHGs related to logistics and goods transportation

- Prefer local purchases (86% of goods and equipment are purchased in the countries where the Villages are located)
- Group village deliveries from one logistics hub per operating region (for example, Arnas, in the Rhône-Alpes region outside of Lyon, for the Europe-Africa region)
- Add criteria related to the reduction of transportation greenhouse to key transportation indicators, and test regularly transportation providers their compliance
- Work with suppliers on the concentration of products and the reduction of packaging is another lever

#### ● Reducing GHGs related to food

- Promote vegetarian food and agroecology, and limit food waste

#### ● Reducing GHGs related to refrigerant gases

- Introduce a new generation of HFO gas (Hydro Fluoro-Olefins) that not only has similar performance and safety characteristics to HFC, but most importantly good environmental properties and a low GWP ( "Global Warming Potential")

#### ● GM® and GO® transportation policy

- Work with environmentally responsible companies; propose alternatives to road transportation for all villages with a rail link; seek to maximise occupancy on its charter flights, and encouraging longer stays.

The Group's energy consumption in 2021 is as follows:

Energy Consumption				
Category	Unit	2021	2020	2019
Direct Energy Consumption	MWh	190,946	107,631	168,659
Indirect Energy Consumption	MWh	256,759	263,110	354,640
Total Energy Consumption	MWh	447,705	370,741	523,299
Energy Consumption Intensity (by bed capacity)	kWh/bed	49.82	49.79	39.61
Energy Consumption Intensity (by hotel night sold)	kWh/night	107.79	99.83	62.94
Energy Consumption Intensity (by hotel night sold)	kWh/RMB 10,000 of Revenue	483.41	525.11	301.84

## Note



(1) Total energy consumption includes the consumption volume of all the Club Med resorts under Fosun Tourism and Atlantis Sanya (Aquaventure Waterpark, show C theater, the hotel, the shopping street, the Aquarium), but excludes that of the office building of the headquarters of Fosun Tourism in Shanghai. The aforementioned consumption volume will be disclosed in the 2021 ESG report of Yuyuan, subsidiary of Fosun International.

(2) Direct energy includes fossil fuels such as natural gas, liquefied petroleum gas, liquefied natural gas and fuel oil; indirect energy includes purchased electricity and purchased heat.

(3) Calculation is based on default value of fossil fuel in the Guide of Accounting and Report of Greenhouse Gas Emissions released by the NDRC.

(4) During the Reporting Period, total energy consumption included 20,189 MWh of renewable energy, mainly from Club Med resorts.

(5) During the Reporting Period, direct energy consumption and energy consumption intensity (by hotel night sold) increased compared with 2020, mainly due to: 1. six extensions of capacity (new or extended resorts) (Sandpiper, Miches Playa Esmeralda, Seychelles CM, La Palmyre Atlantique, Alpe d'Huez la Sarenne and Les Chalet De Grand Massif Samoens), which take 20% of FTG 2021 overall direct energy, increased 38,616,245 kWh compared with 2019; 2. One of the new resorts on the island (Seychelles, Miches) is using direct energy because of the lack of electricity supply. The resort of Alpes d'Huez, France, where local regulations promote the use of direct energy in view of the excessive loss of electricity for transmission; 3. With the normalization of the epidemic, the Group's business and various facilities have gradually resumed, but the hotel night sold have not returned to the pre-epidemic level, leading to higher energy consumption intensity.

## Biodiversity Protection

We value the balance of the ecosystem in all phases of design, construction and operation to minimize the negative impact on the surrounding ecology. We have developed the *Biodiversity Policy* to encourage major subsidiaries, associates, joint ventures, partners and other relevant parties to respect and protect biodiversity.



Supplementary information  
*Biodiversity Policy*

A major advantage of Club Med's villages is that they offer access to natural preserved sites. Indeed, 45% of the resorts' total surface area is located adjacent or near protected sites<sup>13</sup>, with another 20% located at less than 3 km from the protected site. Although building in proximity to protected sites could be damaging to them, there are also opportunities to protect them through biodiversity conservation practices and awareness-raising activities.

Club Med joined Act4Nature<sup>14</sup> in 2018. In 2021, Club Med has reinforced its commitment to voluntary action in the Act4Nature programme by setting targets and goals and committing to regularly review their achievement in order to contribute to global biodiversity conservation. Club Med's voluntary actions include: reducing land and marine use, strictly controlling invasive alien species, tackling overexploitation of resources in the supply chain and protecting endangered species.

In addition, Club Med has taken measures during the development and operational phases to protect ecosystems and endemic species, control the risk of pollution and avoid overexploitation of natural resources.

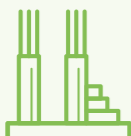
<sup>13</sup> The resorts in or next to protected sites are either concerned by a marine zone or concerned by the adhesion zone of national parks in the mountains (this is an area outside the heart of the park itself), which does not belong to the core reserve of the nature reserve

<sup>14</sup> Act4nature is a French collective initiative launched in 2018 initiated to accelerate concrete business action in favour of nature and born by businesses and stakeholders, including NGOs, academic groups and public institutions. Committed businesses have signed 10 common commitments and SMART (Specific, Measurable, Attainable, Relevant and Time-bound) individual commitments at CEO-level. The individual commitments can be recognized SMART after being reviewed and endorsed by a steering committee.



Club Med Take Steps at All Phases to Conserve Biodiversity

Village Development Phase



- Conduct environmental impact study:
  - Commit in carrying out an Environmental Impact Assessment (EIA) for 100% of new projects since 2022
  - Vegetation alteration and restoration
  - Differentiated management of green areas
  - Habitats for the local fauna

Village Operation Phase



- Purchase responsibly:
  - KPI on local and sustainable products, KPI on tracking
  - Fish Purchasing Charter
- Differentiated management of green spaces: treating all green spaces differently according to their use, location and nature
- Select plant species to maximize environmental benefit with strict policy to control invasive species
- Commit in eliminating the use of pesticides and chemical fertilizers for green spaces and set phytosanitary treatment policy
- Take measures to raise customers' environmental awareness

Atlantis Sanya Turtle Rescue Activity

In order to protect the continuation of sea turtle population as the national second-class protected animal, Atlantis Sanya established a sea turtle rescue and rehabilitation team to provide relevant medical assistance to injured sea turtles with the authorization and help of Sanya municipal government.

Atlantis Sanya has medical facilities such as veterinary laboratory and quarantine tanks to carry out targeted treatment for sea turtles with different injuries. When the turtles recover their basic signs of health, rescue experts will transfer them to Ambassador Lagoon, an open water area with 13,500 tons of seawater and natural lighting, which restores the real marine environment of sea turtles to a certain extent, and effectively assists them to resume their sports and hunting ability, and to reach their normal physical state.

In 2021, Atlantis Sanya continued to actively participate in the conservation and rescue of marine life. As of the end of the Reporting Period, 17 sea turtles were still under recovery. The marine life conservation team established health records for them, conducted daily health checks and feeding, and gradually trained their swimming and predation abilities.



Our newly developed project, FOLIDAY Town, also followed the principles of "development under protection" and "protection under development" in its design, adopted low impact and fine-grained development, and focused on minimizing the negative impacts on the surrounding ecology.

Meanwhile, we encouraged customers and partners to join us to participate in biodiversity protection activities and to devote efforts into the earth's ecological conservation.

**In 2025** **50%** of Club Med resorts will offer "green activities" to educate customers and employees to experience and protect wildlife

**In 2030** **100%** of Club Med resorts will offer "green activities" to educate customers and employees to experience and protect wildlife

**2021** **45%** offer "green activities" (vs 22% in 2020)

## Water Resource Utilization

The Group understands that water resources are very important to the sustainable development of our businesses and the wider community. We strictly comply with the *Water Law of the PRC* and other relevant laws and regulations of water resources applicable to the regions/countries where we operate. We formulated the *Water Policy* and adopted better water management and conservation measures, to reduce water consumption, and to help alleviate the pressure of water scarcity in our operations.

The Group has set a target of "Reduce water use intensity by 10% by 2030 (2019 baseline)", to guide and monitor the adoption of targeted water management approaches by its subsidiaries to improve the efficiency of water consumption at each operating site.



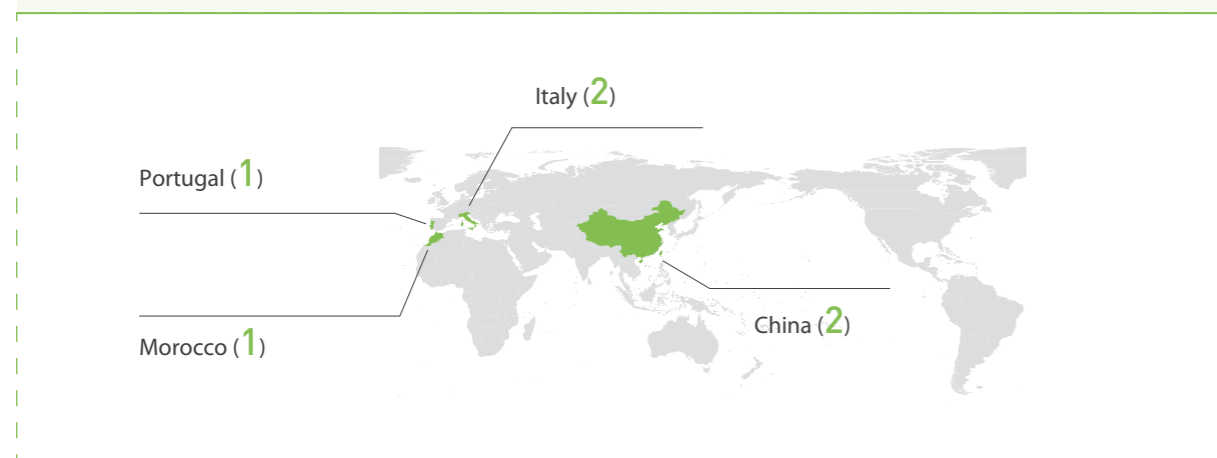
Supplementary information  
*Water Policy*

### ■ Identification and management of water stressed areas

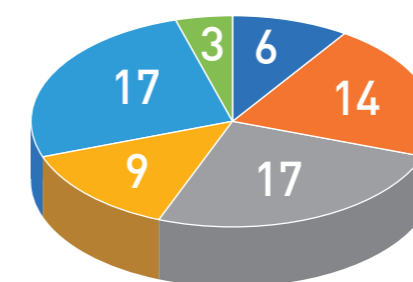
Water shortage still remains a serious global challenge, which affects the long-term sustainability of communities and enterprises. The Group realizes that it is very important to identify water stress risks of all operating locations and carry out targeted management for the conservation and protection of water resources.

During the reporting period, the Group carried out water stress area identification and management by identifying and assessing the water risk faced by each operation. We adopted the Water Risk Atlas Aqueduct™ tool developed by the World Resources Institute (WRI), which analyses water stress at each operating site by watershed based on the location of each operation. Based on the data from the WRI tool, in 2021, six resorts were located in the water pressure area defined by the extremely high base line water pressure value. The resorts locations in the water pressure area defined by the extremely high base line water pressure value and the number of our resorts located in the Baseline Water Stress areas is as follows:

Resorts locations in the water pressure area defined by the extremely high base line water pressure value



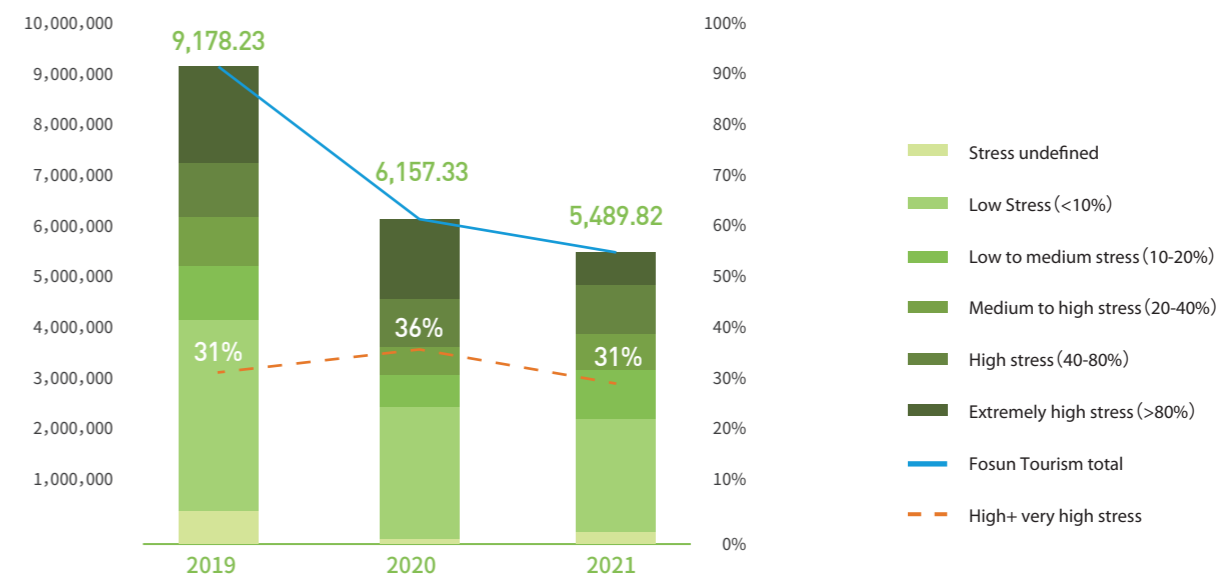
Number of Resorts



- Extremely high stress (>80%)
- High stress (20%-40%)
- Medium to high stress (<10%)
- Low to medium stress (40%-80%)
- Low Stress (10%-20%)
- Stress undefined

Each operating site located in the water stress area is required to understand its water use and the associated business risks and impacts, and to manage its water resources accordingly. During the reporting period, the water withdrawals by water stress zone of the Group's main operating sites are shown in the table below<sup>15</sup>.

Withdrawal water by water stress zone (m<sup>3</sup>)



<sup>15</sup>Main operating sites contain Atlantis Sanya and Club Med, including seawater abstraction.



Water conservation measures

In order to reduce water consumption, we have implemented a number of water conservation measures in all operating locations and regularly reviewed our daily practices, while constantly seeking ways to increase the opportunities for water recycling. During the Reporting Period, Atlantis Sanya was awarded the title of "Water-saving Hotel" by Sanya Water Conservation Office.



Upgrading of Water-saving Equipment and Technology



Club Med

Village facilities and equipment have been designed to control water consumption (flow regulators on taps, pressure reducers, water-saving flushing, centralised irrigation management systems, drip irrigation, etc.). For example, in 2021, water flow reducers in rooms (Asia, Americas), water meters (Trancoso, Brazil) and optimised automatic watering systems to replace manual watering (Europe and Africa) were installed.

Atlantis Sanya

During the Reporting Period:

- Installed ozone and ultraviolet disinfection devices in two fresh fish tanks of the Aquarium, and upgraded the washing device of the egg splitting system, which can save about 100,000 cubic meters of water per year
- Reduced the annual water consumption by 176,227 cubic meters over the same period in 2020

Water Recycling



Club Med

Water recycling is a common practice in the villages, especially those with green spaces where virtually all treated water is reused for irrigation

- 40% of resorts (excluding ski resorts) with green areas recycle their water for irrigation
- 47% of resorts (excluding ski resorts) with green areas use their own or purchased recycled water for irrigation

Atlantis Sanya:

- Establish two rainwater harvesting ponds, which can collect and reuse 2,500 cubic meters of rainwater for greening and irrigation
- Use local seawater in compliance with regulations and after pre-treatment and purification
- The overflow water from No. 14 and No. 15 fish tanks was recycled and used in No. 8 and No. 35 fish tanks and Aquarium cooling tower. The egg washing system was reformed, saving 109,500 cubic meters of fresh water per year
- Garden pipeline reconstruction can save 73,000 cubic meters of water every year
- The reconstruction of overflow ditch of family swimming pool can save 43,800 cubic meters of water per year
- The children's playing pool was conducted the expansion joint reconstruction, saving 127,750 cubic meters of water every year
- Tower condensate recovery can save 5,000 cubic meters of water per year

Regular Monitoring and Maintenance



Club Med

Maintenance work is performed regularly at all Villages, such as repairing leaks in the water supply

Regular monitoring and maintenance

During the Reporting Period:

- Entrusted professional institutions to conduct water balance tests and rectified the problems identified in time
- Refined the inspection and maintenance system for water facilities, and conducted regular monthly inspections
- Adopted the method of household division and functional zone division to carry out the transformation of water meter and realize graded metering
- Built an online remote meter reading system to realize remote monitoring of water consumption data and dynamic management of water consumption



Behavior change is the key to long-term water conservation. We actively encourage our employees and customers to practice responsible water consumption habits. We provide new employees of our hotels with EarthCheck training and knowledge of water conservation in their daily work. We also encourage the involvement of hotel guests, minimizing the frequency of cleaning bedsheets and towels as much as possible to save water.

During the reporting period, the Group's water withdrawals data were as follows:

Water Resources Consumption				
Category	Unit	2021	2020	2019
Municipal Water	m <sup>3</sup>	3,649,884	3,692,260	5,507,865
Groundwater	m <sup>3</sup>	1,359,856	1,989,910	2,865,494
Surface Water	m <sup>3</sup>	241,997	246,464	435,990
Purchased Recycled Water	m <sup>3</sup>	50,377	32,864	74,960
Drinking Water	m <sup>3</sup>	187,703	195,836	293,918
Total Freshwater Consumption	m <sup>3</sup>	5,489,817	6,157,334	9,178,227
Freshwater Consumption Intensity (by bed capacity)	m <sup>3</sup> /bed	0.61	0.82	0.66
Freshwater Consumption Intensity (by hotel night sold)	m <sup>3</sup> /night	1.32	1.66	1.10
Freshwater Consumption Intensity (by revenue)	m <sup>3</sup> /RMB10,000 of Revenue	5.93	8.72	5.29
Total Seawater Consumption	m <sup>3</sup>	4,137,104	4,380,000	5,256,000
Seawater Consumption Intensity (by revenue)	m <sup>3</sup> /RMB10,000 of Revenue	359.04	396.34	369.48

## Note



(1) The total amount of water withdrawal is calculated in cubic metres and includes all water used on each site, whether paid or free, but does not include the amount of seawater withdrawn.

(2) Drinking water refers to the drinking water used by Club Med resorts which is delivered by truck.

(3) Seawater is mainly used for the breeding of marine animals in the Aquarium and Dolphin Bay of Atlantis Sanya. Seawater consumption intensity = total seawater consumption / revenue of Aquarium and Dolphin Bay of Atlantis Sanya during the Reporting Period.

## Emission Management

The Group has been exploring ways to improve waste management measures and make more efficient use of limited resources. We are committed to avoiding the use of disposable packaging products and take into account the amount of waste generated after product consumption and relevant waste treatment methods when selecting suppliers. The Group has developed the *Environmental Pollutants Management Policy* and the 2030 waste reduction target of "Reduce waste output by 30% (2019 baseline)" and guided and supervised all subsidiaries to adopt targeted emission management methods to reduce emissions in operations.



Supplementary information

*Environmental Pollutants Management Policy*

## Waste Management

Reduction for generation of solid waste and its reasonable disposal are an important element for minimizing environmental impact. The Group strictly complies with the *Law of the PRC on the Prevention and Control of Environment Pollution Caused by Solid Wastes* and relevant laws and regulations about wastes in its business locations. During the Reporting Period, in order to further improve the fine waste management in our hotels and resorts, we updated the *Fosun Tourism Group Solid Waste Management Policy* to clarify the methods, processes and relevant contingency plans for waste collection and disposal.

### Create "zero-waste hotels" in Atlantis Sanya

Atlantis Sanya incorporates the creation of "zero-waste hotels" into the green development strategy of the hotels in active response to the activity of Hainan provincial government to create "zero-waste hotels", and strives to form a green business model, provide green service products and create a green consumption environment.

In order to promote the implementation of reduction at source, resource utilization and harmless management of solid waste in the operating locations, Atlantis Sanya has established a special management and responsibility organization, developed the creation goals, quantitative indicators and relevant action plans for creating "zero-waste hotels". The corresponding assessment and reward system was well incorporated into the hotel performance assessment system, with the establishment of a special ledger for solid waste management (including domestic waste, renewable resources, kitchen waste, hazardous waste, etc.).



**Source reduction of solid waste:** Atlantis Sanya facilitates the source reduction of solid waste by not actively providing disposable daily necessities in guest rooms, proactively replacing disposable products in guest rooms (such as disposable slippers, toothbrushes and bathing supplies), and promoting recyclable and reusable daily necessities and other measures. As of the end of the Reporting Period, Atlantis Sanya had replaced all the products in the plastic prohibition catalogue of Hainan provincial government with degradable products.

**Classification and treatment of solid waste:** Atlantis Sanya conducts classification and treatment of solid waste. For hazardous waste, a temporary storage room for solid waste is established for standard management with all types of hazardous solid waste clearly classified and accurately measured, and a qualified third party is entrusted to recycle the hazardous waste. At the same time, Atlantis Sanya also provides sorting trash cans in hotel rooms.

**Training and publicity:** All publicity signs related to the theme of "zero waste" are displayed in conspicuous areas such as hotel rooms, restaurants and lobbies, and public welfare activities with the theme of "zero-waste hotels" are actively carried out. All employees have received the training on "creation of zero-waste hotels".



During the reporting period, the waste generated by the Group is shown as follows:

Waste Category	Unit	2021
Non-hazardous Waste	Tonnes	20,949
Non-hazardous Waste Intensity (by revenue)	kg/RMB 10,000 revenue	22.62
Hazardous Waste	Tonnes	1,257
Hazardous Waste Intensity (by revenue)	kg/RMB 10,000 of revenue	1.36

## Note



(1) As the law requirements and regulations vary in different operating locations of the Group with regard to whether waste cooking oil treated as hazardous waste, the volume and intensity of cooking oil generated by the Group are separately disclosed.

(2) Due to the different waste classification requirements of each country where Club Med resorts are located, the statistical coverage of non-hazardous waste and hazardous waste varies. In order to maintain the completeness and comparability of the data, the data of non-hazardous waste and hazardous waste have been extrapolated according to the proportion of beds in the resorts, and thus the coverage rate of waste data in the above table is 100%.

(3) Due to the adjustment of the statistical range of waste statistics during the reporting period, the waste data of previous years are not comparable and therefore are not presented.

(4) The Group recycled non-hazardous such as disposable plastics, metals, paper, glass, porcelain and wood, etc. During the reporting period, the total amount of waste recycled was 2,252 tonnes, representing a recycling ratio of 11%.

## ■ Non-hazardous waste management

The non-hazardous waste generated by the Group in its business operations mainly include dry waste, cardboards, papers, glass, porcelain, wood, biodegradable waste and other waste from incineration and landfill.

We foster the concept of circular economy throughout our business operations, insisting on sustainable waste management including waste sorting, waste reducing and recycling, quantitative waste monitoring, and limiting food waste. We attempt to reduce non-hazardous waste generation and actively cooperate with all parties to boost circular economy.



The Group have responded positively to the *Opinions on Further Strengthening Plastic Pollution Control* by adopting a step-by-step approach in prohibiting or restricting the use of non-degradable plastic bags, disposable plastic tableware, hotel disposable plastic articles, etc. in operations. Besides, we seek degradable alternative products to reduce the impact of disposable articles on the environment.

### Club Med "Bye-Bye Plastic" Program

Disposable plastic is the most common pollutant, so Club Med has taken the lead in developing a comprehensive approach to phasing out this type of waste.

The "Bye-Bye Plastic" program, launched in 2018, aims to eliminate single-use plastic products from bars, restaurants and rooms by 2021 (straws, dishware, amenities in the rooms, etc.) in all Club Med resorts.

Meantime, Club Med signed the GTPI (Global Tourism Plastic Initiative) led by UNEP and WTO in partnership with the Ellen McArthur Foundation, as part of the "One Planet Sustainable Tourism" program.

#### Target



Phase out single-use plastic for catering (straws, cups, mugs, as well as plates, cutlery and trays)

Use of reusable large bottles for shower gels, shampoos and creams in bathrooms

Phase out plastic packaging of accessories in guest room by the end of 2021

Reduce progressively the consumption of plastic water bottles compared to 2019: by 10% in 2022, 25% in 2023, 50% in 2024

#### Achievement



100% of Club Med resorts have achieved target by the end of 2019

95% of Club Med resorts have achieved the target (excluding the Exclusive Collection range and Brazil)

100% of Club Med resorts in Asia, Europe, Africa and South America have achieved the target. To be completed with "and ongoing North America"

3 resorts run their own bottling plant using reusable glass bottles and in Europe mountain resorts plastic water bottles are no longer available for hiking departures. Reusable water bottles are also available in resort shops

### Waste cooking oil

We strictly complies with the local laws and regulations when treating waste cooking oil. We have entrusted a qualified third party to transport and dispose of waste cooking oil to ensure the standard recovery of waste cooking oil and improve the resource utilization of waste cooking oil.

Waste Category	Unit	2021
Cooking Oil	Tonnes	407
Intensity of Cooking Oil (by bed capacity)	Kg/bed	0.05
Intensity of Cooking Oil (by revenue)	Kg/RMB 10,000 of revenue	0.44
Intensity of Cooking Oil (by hotel night sold)	Kg/night	0.10

### Note



(1) As the laws requirements and regulations vary in different operating locations of the Group with regard to whether waste cooking oil treated as hazardous waste, the volume and intensity of cooking oil generated by the Group are separately disclosed.

(2) Due to different requirements of each country as to whether waste cooking oil needs to be treated separately, some Club Med resorts do not disclose the amount of waste cooking oil separately. In order to maintain the comparability of the data, the data of waste cooking oil of the above resorts have been extrapolated, so the coverage rate of waste data in the above table is 100%.

(3) Due to the adjustment of the statistical range of waste of waste cooking oil during the reporting period, the data of previous years are not comparable and therefore are not presented above.

In addition, a large amount of waste is generated at the construction sites of some new buildings. To ensure proper disposal of waste, we require contractors to recycle, treat and dispose of construction waste in accordance with our construction waste management plan. Contractors are required to achieve the project-specific recycling targets in accordance with the requirements of relevant certifications related to energy and environmental design.



Other hazardous waste

A limited amount of hazardous waste may be generated in our operations. The hazardous waste generated is collected in a timely manner and stored in a clearly marked and dedicated storage area before it is handed over to qualified contractors or government departments for recycling. At the same time, we are well prepared for internal emergencies to prevent damage to the environment caused by any chemical or hazardous waste leakage accident. We require subsidiaries to develop procedures for handling chemical leakage and provide guidance to employees in the emergency response guidelines. We also conduct emergency drills to ensure that staff are aware of their responsibilities and actions to be taken.

Hazardous Waste Treatment Measures

Club Med

Regular outreach in all villages on sorting, tracking and maintaining records of this type of waste; active search for hazardous waste solutions at all new resorts involved in the Green Globe certification process

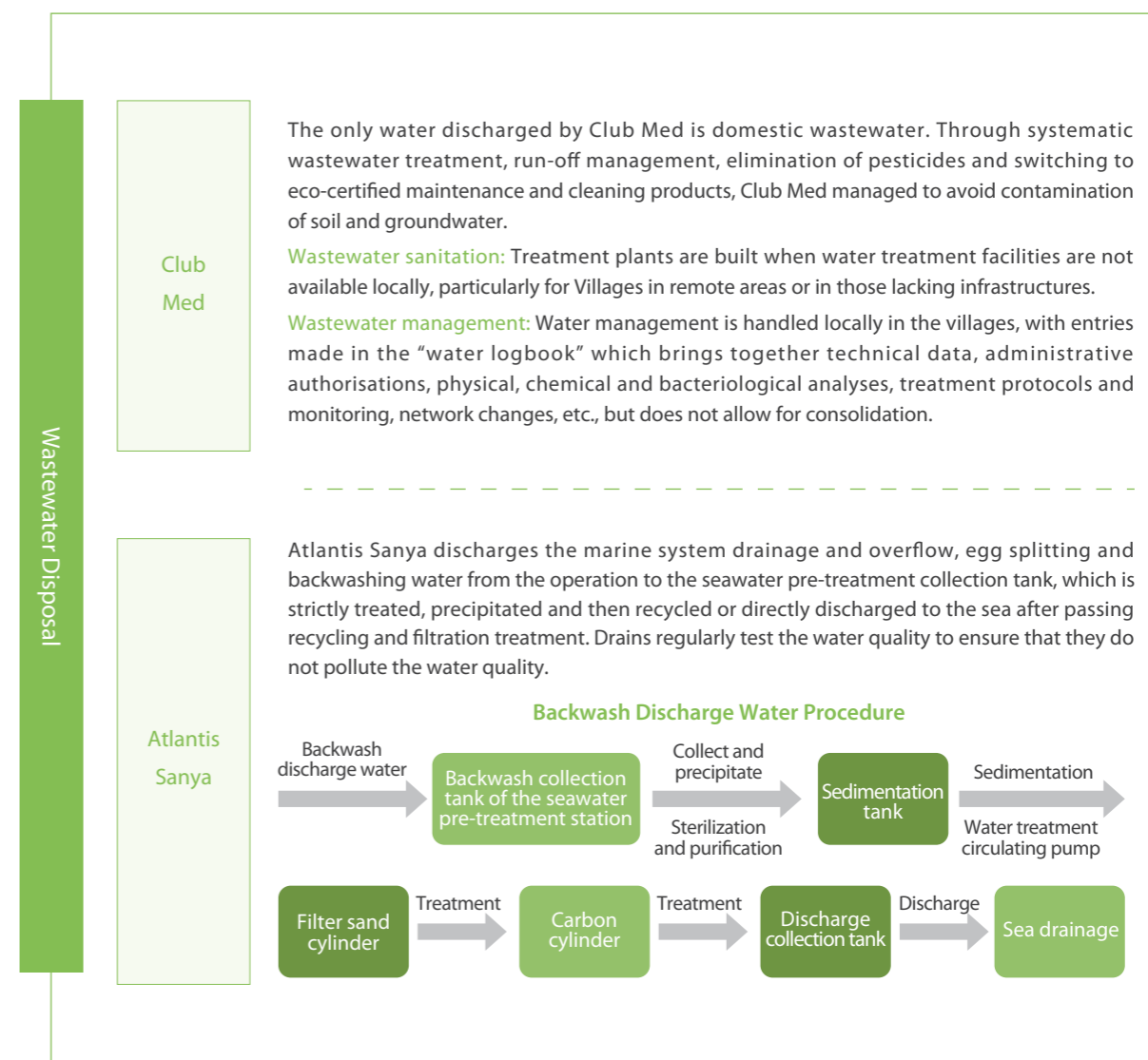
Atlantis Sanya

In accordance with the Directory of National Hazardous Wastes, establish a solid waste temporary storage room for standard management of the hazardous waste generated in the production process, with all types of hazardous solid waste clearly classified and accurately measured, and entrust a qualified third party to recycle the hazardous waste



Wastewater Management

All wastewater discharged by the Group is domestic wastewater, which is discharged in strict accordance with the *Water Pollution Prevention and Control Law of the PRC* and the relevant laws, regulations about the wastewater in its business locations to ensure that all wastewater is properly treated before discharge. We also regularly test and assess the wastewater quality of our facilities to ensure that all applicable standards are met. The Group's domestic wastewater discharge has negligible impact on the environment, and the Group is unable to systematically measure its discharge. Therefore, the key performance indicator A1.1 (the types of emissions and respective emissions data) regarding waste water discharge in the *ESG Reporting Guide* are not disclosed in the Report.







## Management of Other Pollutant Emissions

The Group has adopted different pollution prevention and control measures for exhaust gas, noise and light pollution, in order to ensure that all pollutants are discharged in compliance.



### Exhaust gas emissions

#### Club Med

The percentage of Villages with equipment using CFC gases dropped from 68% in 2012 to 17% in 2021 (vs. 36% in 2018). This equipment is being progressively eliminated in villages where it is still used (excluding China)

#### Atlantis Sanya

Carry out quarterly cleaning of fume pipes, conduct irregular inspection and maintenance on kitchen fume purifier and install the fume remote monitoring system of the Internet of Things of the government department



### Noise pollution

#### Club Med

54% of Villages have a decibel meter and 42% have been evaluated for noise by an outside expert (vs. 48% / 43% in 2020)

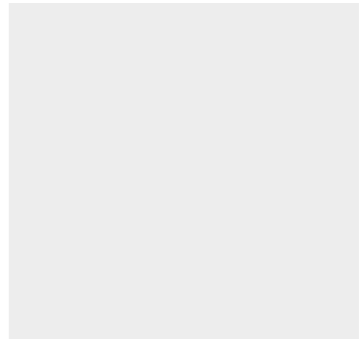


### Light pollution

#### Club Med

Steps have been taken to prevent light emitted by the company from having an impact on wildlife (especially in the context of marine turtle protection)





# 05

## Diversity and Equality

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## Diversity and Equality

Adhering to the humanistic spirit of "Diversity, Equality and Human-centered", the Group is committed to creating an equal, diverse and inclusive working environment. We provide employees with highly competitive remuneration and welfare, as well as efficient training system and global job opportunities. On the basis of respecting human rights and diversity as well as ensuring their health and safety, we help our employees reach their full potential, so that every employee can "Work Happily and Live with Peace of Mind". The Board is the highest governance body on employee-related issues such as employee rights and development, respect for human rights and diversity, and occupational health and safety, and its ESG Committee is responsible for monitoring and promoting these issues.

### Building a Diversified Working Environment

As a multi-national company, we are committed to building an equal and inclusive work environment for our employees and promoting positive and diversified development.

The Group strictly abides by the *Labor Law of the PRC* as well as the laws and regulations of the countries and regions where we operate. With reference to the principles of international labor agreements such as the *International Labor Organization Convention* and the *Universal Declaration of Human Rights*, and in combination with the actual operational situation of the Group, we have formulated a number of normative documents, including the *Staff Manual of Fosun Tourism Group*, the *Provisions on Remuneration and Welfare Management of Fosun Tourism Group* and the *Regulations on Attendance and Holiday Management of Fosun Tourism Group* to regulate the recruitment and dismissal, working hours and rest periods, promotion, equality, diversity and anti-discrimination, remuneration and benefits, etc., so as to effectively protect the legitimate rights and interests of our employees.

As of 31 December 2021, the employees of the Group come from six continents, with a total number of 10,263. The classification of employees by gender, age, region, employment type and job level is shown as follows:

Employee Indicator	2021	2020
The total number of employees within the scope of the Report	10,263	12,949
By Gender		
Male	5,717	7,797
Female	4,546	5,152
By Age		
<30	3,583	4,452
30-40	3,027	3,610
40-50	2,182	2,674
>50	1,471	2,213
By Geographical Region		
Asia	5,282	4,191
Europe	2,094	4,829
Africa	396	784
North America	1,639	2,168
South America	837	946
Oceania	15	28
By Employee Type		
Full-time	10,148	12,853
Part-time	115	96
By Job Level		
Senior management	268	200
Middle management	1,813	1,722
Junior employees	8,182	11,027

### Diversified Employment

The Group upholds a strategy of localization and diversification of global talents and keeps in line with global business layout to strengthen the internationalization and standardization of the recruitment processes in different countries and regions. We continue to optimise the management and efficiency of the recruitment processes and channels to ensure a scientific and rational talent employment mechanism.

During the recruitment and selection process, we evaluate candidates on the basis of their work experience, abilities and qualifications, regardless of their gender, age, family background, race, religious belief, nationality, sexual orientation or disability. We have incorporated anti-discrimination related requirements into the *Fosun Tourism Group Interviewer Handbook*. Besides, we provide relevant trainings to all employees of the Group in the position of recruitment to not take discriminatory factors such as gender and age into consideration.

We strictly regulate recruitment-related procedures, sign labor contracts with each employee, and clearly define the rights, responsibilities and obligations of both employees and employers (including compensation, working hours, benefits and holidays, etc.).

The workforce localization allows us to better integrate into the diverse cultures of operating regions. Under the globalization strategy, the Group focuses on promoting the localization of employees in different regions where we operate and is committed to continuously enhancing local employment while opening more local vacancies.

#### Working hours and holidays

The Group has formulated the *Regulations on Attendance and Holiday Management of Fosun Tourism Group* to regulate the management of employees' attendance and leave. All subsidiaries formulate and implement independent attendance management and leave policies in accordance with the laws and regulations where they operate and their own operating conditions. We regulate working hours and ensure that employees enjoy reasonable and adequate rest time. In case of special circumstances requiring overtime work, employees are required to communicate and get approval from the head of the department in advance and arrange for compensatory leave. Employees are entitled to national legal holidays, statutory annual leave, personal leave, sick leave, maternity leave, bereavement leave, parental leave, etc. We also provide additional paid holidays in accordance with the requirements of different countries and regions.

#### Club Med Telework Agreement

In 2021, Club Med has signed an unanimous agreement with all employees on teleworking, proposing a new work experience with the "SmartWorking@ClubMed" concept, which encourages flexible work when practically possible and appropriate. This working arrangement allows employees to balance work with other priorities and contributes to a harmonious and inclusive working environment.



SmartWorking@ClubMed



## ■ Resignation and dismissal

All employees are entitled to terminate their employment with the Group. The conclusion, modification, cancellation and termination of relevant employment contracts are in strict compliance with the relevant laws and policies. The Group has established clear dismissal criteria and resignation procedures and does not dismiss employees arbitrarily to protect the rights and interests of employees. During the Reporting Period, the Group had no large-scale layoffs.

As on 31 December 2021, the Group's employee turnover rates by gender, age and region were as follows:

Employee Turnover Rate		2021
Overall Turnover Rate in 2021		30%
By Gender		
Male		29%
Female		31%
By Age		
<30		45%
30-40		28%
40-50		16%
>50		17%
By Geographical Region		
Asia		31%
Europe		11%
Africa		79%
North America		33%
South America		45%
Oceania		40%

## Note



Turnover rate by category = number of employees who left the category during the Reporting Period / total number of employees in the category at the end of the Reporting Period \* 100%.

## Equality and Inclusion

The Group is committed to creating an equal, diverse and inclusive working environment, strictly prohibits any form of discrimination and harassment, actively narrows the gender gap at all levels, and is committed to eliminating barriers and prejudices in terms of gender, age, disability, sexual orientation, ethnicity, etc.

The Group strictly complies with the laws and regulations of different countries and regions, and is committed to advancing the cause of human rights on a global scale. With reference to the principles of international employment agreements such as the *United Nations Universal Declaration of Human Rights* and the *United Nations Convention on the Rights of the Child*, we have formulated and released the *Fosun Tourism Group Human Rights Statement*, promising that we will do our utmost to provide a healthy and safe workplace and offer compliant compensation for work, respect employees' political rights, and prohibit forced labor and child labor. In addition, we actively promote our subsidiaries to abide by the relevant undertakings in our human rights statement and ensure that all employees are fully informed through occasional training.



Supplementary information

*Fosun Tourism Group Human Rights Statement*

## ■ Anti-discrimination and anti-harassment

We respect the tangible and intangible differences of all our employees, regardless of their gender, age, race and ethnicity, colour, religious beliefs, nationality, sexual orientation, physical condition, marital status, political affiliation, etc. As of the end of the Reporting Period, 269 disabled employees were employed by the Group, accounting for 3%.

Our *Fosun Tourism Group Human Rights Statement* clearly states that we have "zero tolerance" attitude to all forms of discrimination, harassment, abuse, coercion and violence. The Group sets up a hotline for anti-sexual harassment reporting, through which employees can contact the Commissioner in the first instance to deal with any complaints of inequality, discrimination and harassment. In addition, we also carry out topic trainings on anti-discrimination and anti-sexual harassment to increase employee awareness. During the Reporting Period, no complaints related to discrimination and harassment were received by the Company.

### Topic Training on Anti-discrimination and Harassment

During the Reporting Period, the Company held two training sessions on the topics of "anti-employment discrimination" and "anti-sexual harassment" to introduce the laws and regulations, typical cases and risk prevention measures of employment discrimination and workplace sexual harassment to employees. On-site training videos and training materials were uploaded to the online learning platform for employees to play back and watch. All employees participated in the two trainings, with the average training hour per capita of one hour.



The Group's industry covers a vast land of geographical areas. Hence, we encourage our subsidiaries to formulate corresponding anti-discrimination and harassment policies according to the specific conditions of the country/region where they operate.

### Club Med Diversity and Preventing Discrimination Policy

Club Med has always been committed to promoting equality in the workplace. The principles of diversity and non-discrimination have been included in Club Med ethics charter since 2009, and focused its activities on three key areas:



Commit to bridging the gender gap at all levels and eliminating gender barriers and biases.

Club Med has signed a series of workplace gender equality agreements with employee organisations and has taken a number of safeguards to promote gender equality in the workplace in terms of hiring, promotion and remuneration.



Commit to creating a working environment that encompasses multiple generations, regardless of age.

Club Med has signed intergenerational agreements with employee organisations, including provisions to protect the rights of employees over 50 and to provide career development training and opportunities for younger employees.



Commit to providing more employment opportunities for people with disabilities and creating an equal and inclusive work environment.

During the reporting period, Club Med reaffirmed its commitment to integrate people with disabilities into its workforce, extending it to 2023, and set a corresponding recruitment target: a total of at least 120 employees with disabilities to be recruited each year in resorts, branches and offices.



### Political rights and right to freedom of association

On the premise of complying with local laws and regulations and company policy requirements, we respect employees' political rights such as the right to freedom of association, the right of collective bargaining, and free election and voting rights. On the premise of complying with local laws and regulations and company policy requirements, we respect the rights of employees around the world to join, form or not join various labor organizations, and are committed to conducting friendly dialogues and collective bargaining with labor unions or employee representatives. Both the Company and subsidiaries of the Group have established labor unions and carried out activities within their respective jurisdictions.

#### Club Med actively encourages social dialogue organization

- Club Med staff representatives form the Economic and Social Committee, which participates in meetings on the company's major economic situations, strategic directions and any matters affecting the company's operations and management structure.
- At European level, employees from several countries, including France, Italy, Switzerland and Portugal, have come together to form the European Social Dialog Committee (ESDC), which holds meetings twice a year on matters of importance to the company's employment, development and corporate social responsibility.
- Across the world, social dialogue is developed closest to the ground with elected employee representatives at almost all sites (villages and head offices). These teams meet regularly at each site, in facilities and with resources provided by Club Med. Agreements are negotiated at either the national level or at the establishment level with the country or regional HR managers.

### Preventing child and forced labor

We strictly abide by laws and regulations of the countries/regions where we operate and prohibit child labor through rigorous identity review process. In addition, the Group has formulated remedial procedures and measures for the employment of child labor. Once child labor is found, we will stop his/her work immediately and report to the local labor department, and conduct health checks to ensure that no physical or mental harm has incurred. At the same time, we prohibit and do not support any form of servitude or forced labor and ensure that employees engage in work on a voluntary basis. During the Reporting Period, there was no material violation of labor standards in any form in the Group.



## Promoting Employees' Personal Growth

Training employees in communication and continuous creativity is at the core of the Group's talent development strategy. We established a complete training system, and formulated an all-round incentive mechanism to provide employees with job opportunities for internal growth and global mobility, and help more employees achieve self-development and value realization.

### Talent Training

To accelerate the development of a global talent system, the Group has established the Fosun Tourism Innovation and Leadership Center<sup>16</sup> to provide employees with special talent development and training programs each year in accordance with the Company's development strategy and human resources planning.

Based on the four modules of special training for high potential talents, industry empowerment, cultural exchange and innovative experiments, we have built the Fosun Tourism training system, launched more than 20 training programs in the constantly enriched internal and external training channels to ensure quality and diversified training opportunities for each employee and gradually expand the talent pool of Fosun ecosystem. During the Reporting Period, we invested a total of RMB 535,192 in employee training.

#### Special Training Program for High Potential Talents

We always attach great importance to the review and cultivation of high-potential talents. Through comprehensive evaluation on each employee, we identify high-potential talents and train them specially according to the recommendation of the Human Resources Department and heads of business lines.

During the Reporting Period, we organized 40 high-potential employees to form the "CXO Special Camp", and formulated special training plans, including centralized training, small-class teaching and rotation study.



CXO Special Camp

#### Industry Empowerment

We actively empower our subsidiaries in the industry and spread our corporate culture and good management practices through lecturer training within our subsidiaries.

During the Reporting Period, we reached out to the industry and carried out the "Trainers Training" at Atlantis Sanya, and conducted a three-day intensive training and assessment for more than 30 heads of various departments and trainers to systematically teach training management and delivery skills.



Trainers Training

<sup>16</sup>The department was known as Fosun Tourism University in the previous Reporting Period, and was renamed as Fosun Tourism Innovation and Leadership Center in the Reporting Period.



#### Cultural Exchange

We also encourage employees to actively carry out inter-departmental and inter-discipline study and exchange, actively share new knowledge, and realize a virtuous circle within the team. Since the launch of the "Coach Club Program" in 2020, we have carried out 36 coach club activities, contributing a wealth of innovative ideas to various business segments of the Company.

During the Reporting Period, we established more new clubs on four major themes: Hotels & Resorts, Destinations, Lifestyle, and Marketing & Finance, with more than 20 of our executives serving as club coaches. Members of the club listen to the coaches' sharing on site, participate in brainstorming topic discussions and make suggestions for practical business issues raised by the coaches. Each coach club activity is open to all employees for registration, and 100% of the Group's employees are now participating in the activities.



Coach Club On-site Training

#### Innovative Experiment

Leadership training is a course based on the ability requirements of managers at different levels, aiming to improve the leadership, team work efficiency and cohesion of managers at all levels.

During the Reporting Period, we carried out a series of leadership training programs, including basic leadership training, interviewer training and team trainer training. In addition to Fosun Tourism's internal training programs, we have also participated in leadership training courses such as Fosun Group's Product Manager Boot Camp and Chairman & CEO Class.



Leadership Training

While actively promoting the construction of internal training system, we are also committed to laying a solid foundation for talent introduction and training by enhancing school-enterprise cooperation. During the Reporting Period, the Fosun Tourism Innovation and Leadership Center signed a strategic cooperation framework agreement on the integration of industry and education with the School of Economics and Management of Shanghai Institute of Physical Education to build an internship practice base for college students and a demonstration class for the integration of industry and education; we have also cooperated with the Institute of Cultural and Creative Industry (ICCI) and KEDGE Business School to establish a customized MBA class for Fosun Tourism; at the same time, we have established school-enterprise partnerships with many outstanding educational institutions such as Xi'an Eurasia University.

### Club Med University of Talents

Club Med has established the University of Talents as an important part of the implementation of its talent strategy, in line with its own operations. The University of Talents is helping us to create a training structure that is linked to the reality of the company and to take action to integrate and develop the various skills of our employees. We have also developed a range of programmes such as Academy Week, the Diploma Programme and Manager Manager@Club Med to promote the development of staff skills and competencies. In addition, since the outbreak of the pandemic, Talent University has actively explored new modes of training and achieved 100% training coverage among employees through online learning platforms and virtual classroom lectures.



Online learning platforms  
100% training coverage

During the Reporting Period, the Group's total training hours were 335,555 hours, and employees' training percentage and average training hours by gender and by job level are as follows:

	2021	2020
Percentage of Employees Trained (%)	100%	100%
By Gender (%)		
Male	100%	100%
Female	100%	100%
By Job Level (%)		
Senior management	100%	100%
Middle management	100%	100%
Junior employees	100%	100%
Average Training Hours Per Capita (hour)	32.7	30.2
By Gender (hour)		
Male	32.6	30.2
Female	32.8	30.2
By Job Level (hour)		
Senior management	26.0	32.6
Middle management	29.6	31.2
Junior employees	33.6	30.0

### Note



- (1) Percentage of employees trained by category = number of employees in the specified category who took part in training during the Reporting Period / total number of employees at the end of the Reporting Period \* 100%;
- (2) Average training hours by category = Total number of training hours for employees in the specified category during the Reporting Period / number of employees in the specified category who took part in training during Reporting Period \* 100%.

## Employee Motivation

The Group has been constantly exploring the incentive mechanism for talent development adapted to the process of globalization, and has gradually changed from focusing on salary incentives to all-round incentive mechanism such as personal development and growth, working environment and decision-making participation, and is committed to ensuring the fairness, effectiveness and continuity of incentives.

### ■ Remuneration incentive

We have formulated performance evaluation and incentive mechanism policies such as the *Provisions on Remuneration and Welfare Management of Fosun Tourism Group*, the *Performance Management Measures of Fosun Tourism*, and the *Reward and Punishment Management of Fosun Tourism*, and encouraged employees to continuously realize their value based on performance.

We follow the salary policies of the countries and regions where the workplaces are located, and on the premise of ensuring that the local minimum salary requirements are met, we set up incentive mechanisms in a scientific manner to provide employees with competitive remuneration incentives. The remuneration of our employees includes basic salary, performance bonus, special incentive, equity incentive, etc. Meanwhile, the short-term, medium-term and long-term remunerations are combined, and the cash and equity are matched, and resources are inclined to high-performance/high-potential talents.



Performance  
Bonus

All employees are entitled to performance bonuses, which are linked to the completion of the Company's performance and the results of individual annual performance assessments, and are calculated and distributed after the assessment.



Special  
Incentive

Special incentives include corporate value growth awards, BD incentive/innovative business sales bonus, etc., and employees with better performance output enjoy higher incentives and salaries. We have also formulated the *Recognition Plan of Fosun Tourism*, and selected the Values Star Award, the Annual Outstanding Individual Award and the Annual Team Award within the Group and its core subordinate enterprises and incubators every year.



Equity  
Incentive

We have formulated a share incentive scheme to issue equities to qualified employees, which further realizes the positive interaction between the development of the Group and the growth of employees. During the Reporting Period, we rewarded qualified employees with options and equity interest according to 2019 share option scheme and share incentive scheme., targeting senior managers and high-performing and high-potential talents of Fosun Tourism. Among them, 49 and 70 employees were rewarded with equity and options respectively.



### ■ Performance appraisal

All employees of the Group are subject to multi-dimensional performance appraisals, and the results of performance appraisals are used as the basis for measuring employees' work achievements and professional abilities and are combined with remuneration incentives. We actively explore innovative tools and approaches to improve the accuracy of incentives according to the different characteristics of businesses. For junior employees, we prefer to assess short-term performance results and provide immediate incentives, while for the middle and senior level employees, we tend to assess their work performance in the medium-term and long-term. We also promote the design and implementation of long-term incentive mechanisms in our member companies to strengthen team stability and solidarity.

The Group adopts a combination of semi-annual performance reviews and annual performance appraisals to complete the performance evaluation of the employee. The performance management process consists of three parts: target setting, performance appraisal, performance communication and processing. After setting various key performance indicators (KPI) and indicator weights, the Group conducts performance appraisals for all employees in reference with their personal work goals. We attach great importance to performance communication and feedback throughout all aspects of performance management. The Group implements predetermined development and incentive policies based on the results of each employee's performance appraisal.

## Employee Promotion

As a multi-national company, we uphold the concept of "global interaction and talent sharing" and are committed to creating a smooth and active mechanism for internal talent flow, and cultivating talents' multi-discipline and multi-dimensional capabilities through global rotation of employees. Through the establishment of a comprehensive grade and level system of the Group, we set clear promotion channels, strengthen the construction of talent pool, and build the "soft power" of globalization.

In 2020, we began to implement the Fosun Tourism Partners mechanism, which selects Travel Partners from among senior executives, business leaders and service champions who have served the Group and its subsidiaries more than two years in the position the core management. As elites from Fosun Tourism's top talent pool, the partners hold regular meetings and discussions to ensure the inheritance of the Company's cultural values, the implementation of strategies and the sustainable and stable development of the business. During the Reporting Period, 9 Fosun Tourism partners were newly elected according to the latest selection criteria for Fosun Tourism partners, among which 3 were foreign employees. As of the end of the reporting period, Fosun Tourism had 35 Fosun Tourism partners, including 14 female partners, accounting for 40%.

As of the end of the Reporting Period,

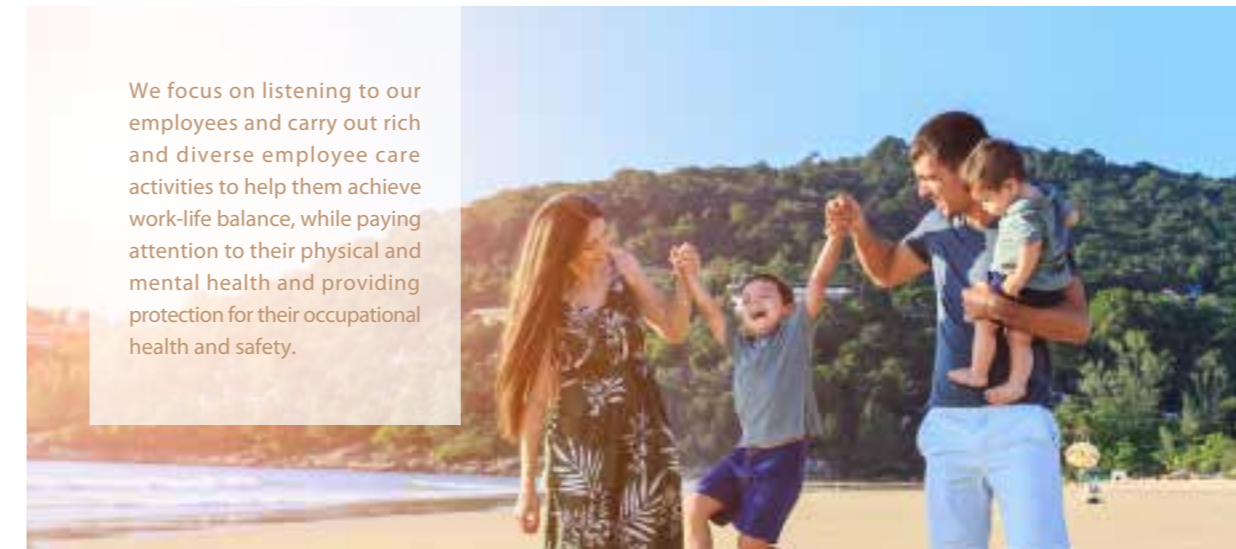
Fosun Tourism had **35** Fosun Tourism partners, including **14** female partners, accounting for **40%**.



### Fosun Tourism Growth Star Management Trainee Program

The program provides a generous remuneration package and professional training programs for selected fresh graduate candidates, including a mentor team consisting of senior executives from various business lines of Fosun Tourism, personal development plans and accompaniment, regular debriefings and multi-dimensional appraisals. The training program spans two years. In the first year, management trainees go through short-term rotations in multiple departments, and in the second year, they enter the professional field for rotations, learning to overcome key and difficult businesses and growing into front-line or comprehensive managers. The Growth Star Management Trainee Program contributes to expand the talent pool of young partners by developing future technical and general management talents for the Company.

## Improving the Happiness Index



We focus on listening to our employees and carry out rich and diverse employee care activities to help them achieve work-life balance, while paying attention to their physical and mental health and providing protection for their occupational health and safety.

## Equal Communication

We carry out satisfaction surveys for all employees at the group level twice a year, and conduct special surveys on special issues of concern to employees. During the Reporting Period, we sent an engagement survey questionnaire to over 1,400 employees at the Group headquarters and subsidiaries (excluding Club Med and Atlantis Sanya). We provided feedback on the results to each subsidiary and assisted them in developing and implementing improvement plans.

### Atlantis Sanya

Every year, we conduct CES (Current Employment Statistics) survey to find out employees' evaluation on ten dimensions, such as work/life balance, diversity and inclusion, career development opportunities, talent and staffing, and reward and recognition. During the Reporting Period, we carried out the yearly CES survey as scheduled and the completion rate reached 100%. We compiled the results of the research and shared them with all employees in the form of a report, and implement improvement measures for the corresponding departments.

In addition, we set up The Voice function in the corporate WeChat, where employees can submit suggestions and demands regarding their work and life through mobile phones, and we will quickly seek for solutions for their concerns.

### Club Med

Club Med is committed to improving the well-being of their employees. In 2014 Club Med officially launched the "GO®-GE Voices" project. The project consists of an online questionnaire dealing with subjects such as pride, integration, sense of belonging, management, development and work environment, which has been translated into more than 20 languages and is launched every two years for employees worldwide. At the same time, we involve third party HR professionals in the analysis of the results and the development of improvement plans.

As 2020 was a special covid year, it was only renewed in September 2021 in offices and agencies with a participation rate of 82% (almost 1,500 respondents) and a employee satisfaction of 93% (90% in 2018). We will continue to optimise based on the latest employee voices.

## Occupational Health and Safety

Safeguarding employees' health and safety is a basic principle and bottom line of the Group. We strictly abide by the laws and regulations of China such as the *Law of the PRC on Prevention and Control of Occupational Diseases* and those of the countries and regions where we operate, and also formulated the Group's EHSQ policy and the *Fosun Tourism EHSQ Performance Index Management System*. We adopt a robust safety management system to support the implementation of occupational safety and health prevention and control measures, employee safety awareness training and accident investigation. Each subsidiary has established a safety committee responsible for implementing preventive measures to help identify and manage occupational safety and health hazards, review occupational safety and health incidents, and to conduct regular meetings.



In order to clearly assess our progress, the Group has set 2030 health and safety performance target through a comprehensive health and safety management system and approaches, while performing regular reviews.



### Our commitments by 2030

- Establish safety & health management system according to ISO45001 and other international standards, to continuously create a safe and healthy working environment for employees
- Reduce Lost Time Injury Frequency Rate (LTIFR) by 15% (2019 baseline)
- Achieve 100% attendance rate of employee safety and health training



### Progress made in 2021

- All employees received safety and health related trainings

The Group had no work-related fatalities in the past three years. The Group's safety and health related key performance indicators for the reporting period are listed in the table below.

Work Injury	Female	Male	Total
Lost Days (day)	1,610	1,990	3,600
Lost Time Injury Frequency Rate <sup>17</sup> (LTIFR) (%)	11.44	11.62	11.54

### Note



Work injury data includes statistics for Atlantis Sanya and Club Med only.

<sup>17</sup>Lost Time Injury Frequency Rate (LTIFR) = (number of lost time injury/ total working hours) × 1,000,000



We regularly review our safety and health policies and management systems to ensure compliance with legal requirements and industry standards. During the Reporting Period, Atlantis Sanya is gradually improving the Occupational Health and Safety Management System (OHSMS), and systematically and comprehensively promoting occupational health and safety management.

The Group has taken a series of measures to minimize the negative impact on health and safety arising from operations, including but not limited to continuous review and development of safety contingency plans, implementation of regular safety audits, provision of personal protective equipment, and organization of regular safety training for relevant personnel., etc. The subsidiaries such as Atlantis Sanya and FOLIDAY Town carry out their own occupational safety and health management in compliance with the Group's requirements.

### Atlantis Sanya

In Atlantis Sanya, we have established a systematic occupational health guarantee system and adopted relevant safeguard measures to continuously control and reduce occupational health and safety risks.

- Regularly conduct comprehensive hazard identification and assessment, and carry out targeted risk management and control according to high, medium and low risks.
- Set up a clinical consultation room and engage professional medical personnel-there are currently 9 medical staff in 3 infirmaries in Atlantis Sanya and Waterpark; organize regular physical examination for employees at special posts (e.g. Divers); continue to invite the local Red Cross Society to conduct first aid training for employees. As of the end of the Reporting Period, a total of 113 people got first aid certificates, in addition, 154 lifeguards and supervisors in Waterpark and swimming pools have first aid certificates, and the number of emergency personnel in Atlantis Sanya and Waterpark, accounting for 11.13% of the total number of employees.
- Establish the *Occupational Disease and Hazard Emergency Rescue Plan* to strengthen our ability to respond to occupational disease emergency events.
- Provide necessary labor protection products according to different posts; during heat seasons, give heat season allowance and provide sunscreen equipment.
- Active organize employee activities, e.g. publicity and education, and emergency response drill.



### Club Med

Club Med implements occupational health and safety protection through its Health, Hygiene and Safety (HHS) department and its network of coordinators. During the reporting period, Club Med added the requirement for a psychological risk assessment of employees to its occupational health and safety policy, to enhance the care of employees' mental health.

The following are the measures taken by Club Med to protect the health and safety of its employees.

#### Network of Nurses in the Villages



- All Villages (outside France and the US) have a permanent nurse on the team.
- Medical assistance is also based on a network of local doctors, identified and recommended by Europe-Assistance.
- Based on lessons learned in the villages, the prevention policy is structured around identifying the causes of accidents.

#### GO®-GE Awareness Module



- Cover all priority themes (health, lifestyle, alcohol, harassment, risk behaviour, addictions, drugs, alcohol, and impact on health and safety for oneself and others).
- Developed in 2013 in conjunction with the UDT (Université des Talents) makes it possible to train and track trained people.

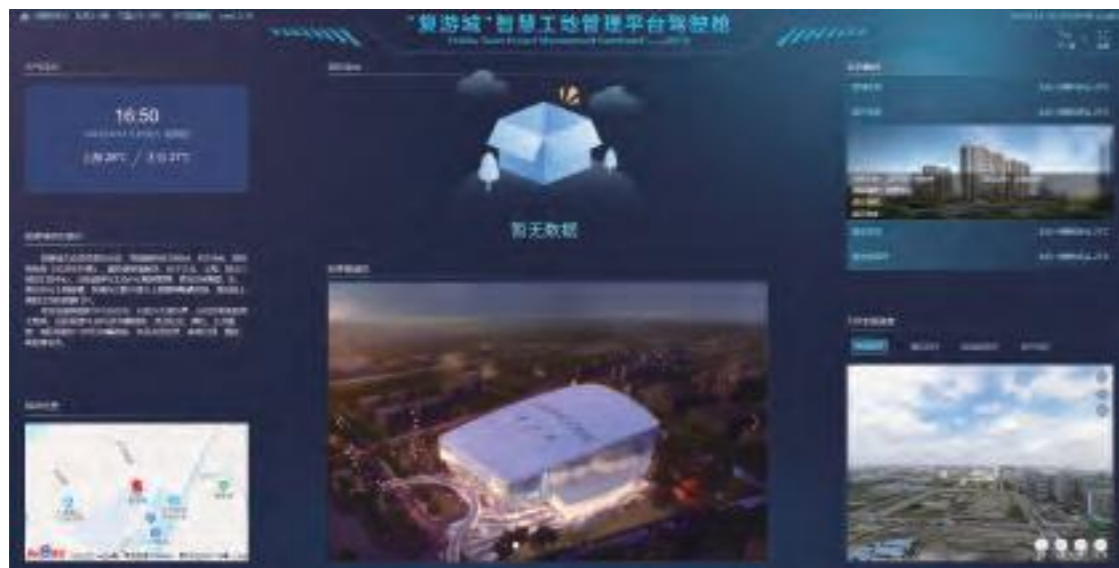
#### Aids Prevention



- The first company to make condoms available free of charge to its employees (since 1985).
- Includes prevention rules in the training provided to all GO®-GE.
- If necessary, Village nurses or the HHS Direction can assist the GO® or GE to obtain a free screening.

FOLIDAY Town

For the construction site safety of the FOLIDAY Town project, we develop relevant management plans in reference to national standards and regulations. During the Reporting Period, we piloted the intelligent site management system in Taicang FOLIDAY Town project and implemented intelligent EHS management and control by various means such as integrating real-time monitoring, 360-degree panoramic view, online monitoring of dust, remote monitoring of large equipment, real name system and face recognition.



For the FOLIDAY Town project, we defined and developed contingency plans such as *Emergency Response Plan for Accidental Events and Emergency Response Plan for Typhoon and Flood Control* based on various accident categories, including construction accidents, construction site hygiene, hazardous materials and fire, and assign a working team to assist in monitoring and managing occupational safety and health risks associated with construction sites. We also provide personal protective equipment on site, hold regular Work Safety Month, and conduct regular safety training for employees and contractors to protect our employees and contractors from safety or health hazards.



First aid training



Distribution of heat protection items



Work Safety Month

Considerate Care

The Group values employee care. We provide diversified welfare to employees. On top of the mandatory employee benefices as required by the countries and regions where we operate, we adopt additional welfare package to improve employees' well-being. We also care about the physical and mental health of our employees, and regularly organize employee activities including jogging, badminton, indoor exercise classes, as well as occasional health lectures to help raise employees' awareness of healthy living.

Statutory Welfare



All employees are entitled to social insurance, housing fund, annuity or pension, and other social security schemes in accordance with the regulations of their countries and regions.

Additional Benefits



**Commercial insurance:** we buy group supplementary medical insurance, group accidental injury insurance, group major illness insurance, group traffic accident insurance, group life insurance and group travel insurance for all employees.

**Allowances and gifts:** communication allowance, transportation allowance, working lunch, wedding gift, birth gift, birthday gift, funeral condolence money.

**Physical examination:** we buy medical insurance for employees every year, and employees can have an annual physical examination, health consultation appointment, post-examination review and other services.



Badminton activity



"Running group" activity





# 06

## Coordinated Development

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# Coordinated Development

The Group is committed to creating a responsible supply chain. We increasingly optimize management of our supply chains, in which each link related to procurement bears social responsibility. In the meantime, we are fostering a sustainable business model featuring coordinated development with local suppliers. We are constantly paying attention to the future development of the cultural tourism industry, and working together with stakeholders in the exploration of new industrial development model to find new opportunities.

The Group has made the below commitment surrounding the "Coordinated Development" pillar, driven by responsible and sustainable supplier management. We are also considering setting relevant quantitative management targets to assess and review our progress in a more precise way.

**Pillar of sustainable strategy**

Coordinated Development

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**Our commitments by 2030**

- Continuously improve local procurement
- Encourage suppliers to set environment-protection goals and validate through auditing and incentive programs

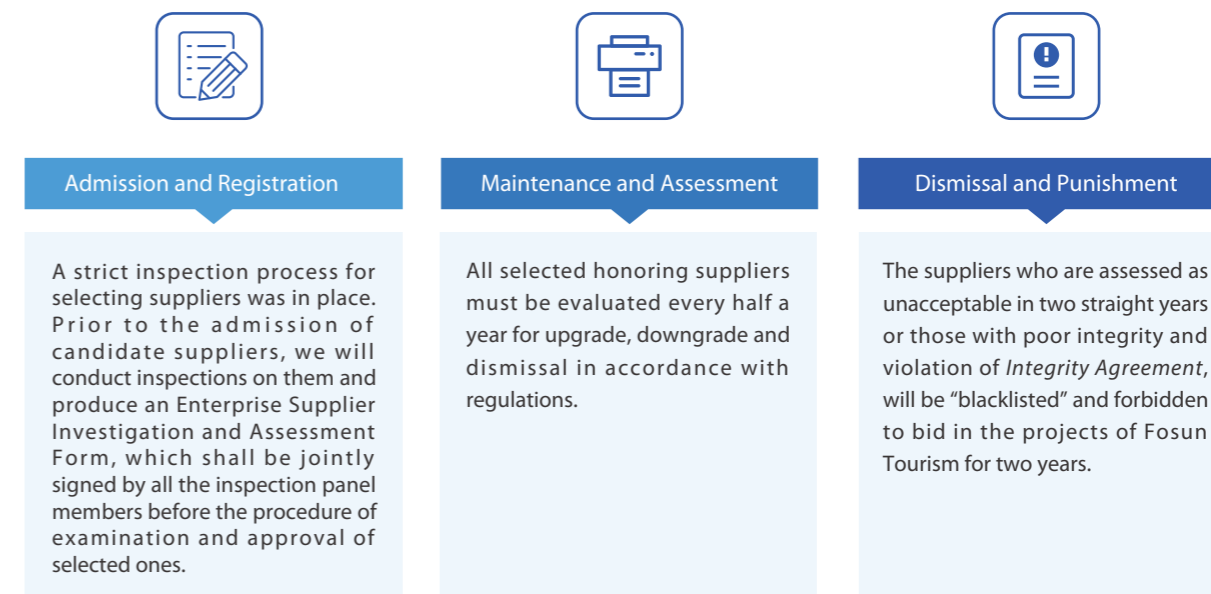
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**Progress made in 2021**

- 41% of Club Med's purchases are locally sourced (2019: 35%; 2018: 13%) (except China, USA, Brazil, Mexico)
- Atlantis Sanya's local suppliers and the local procurement amount in Hainan Province accounted for 42.6% and 54.4% respectively
- 82% of operational suppliers in China received ESG assessments by the Group headquarters

# Supply Chain Management

The Group has laid out internal management policies such as *Fosun Tourism Group Cost Contract Management System 2.0*, established standardized processes and mechanisms including supplier admission and registration, maintenance and assessment, dismissal and punishment, and implemented graded management of suppliers to fully guarantee the scientific and effective management of procurement and suppliers.



As of 31 December 2021, suppliers under our direct management have amounted to 4,422 globally, which are categorized as follow by regions:

Suppliers by Geographical Region	
Region	2021
America	1,245
Europe, Middle East and Africa	1,566
APAC	1,611
Total	4,422

## Note



The statistical caliber of suppliers during the Reporting Period is different from that in 2020, so the data of the two years are not comparable.



## Responsible Procurement

We have been committed to responsible procurement, embedding sustainability commitments at every stage of the procurement process. We attach great importance to ESG risk management and incorporate supplier social responsibility performance into supplier selection and evaluation, and are committed to spreading the value of responsible sourcing in our supply chain management system. In addition, by actively promoting local procurement, we stay committed to producing and providing more responsible and traceable products and services.

### Fosun Tourism Responsible Procurement Management

#### Principles



ESG Policy of Fosun Tourism Group for Supply Chain Management  
 Fosun Tourism Group Supplier ESG Rating Scale  
 Fosun Tourism Group Supplier Code of Conduct  
 Suppliers Integrity Agreement

#### Risk assessment



ESG self-assessment questionnaire for suppliers  
 ESG on-site review for suppliers

#### Assessment and improvement



On-site review  
 Annual review  
 Irregular review

#### Training and coaching



ESG online sessions  
 Information sharing  
 Regular communication and exchange

#### Industry exchange



Supplier conference  
 Quality supplier award



### Code of Conduct for Suppliers

We have formulated the *Fosun Tourism Group Supplier Code of Conduct*, which sets out the main principles for suppliers to follow in conducting business activities:

- A. Human rights
- B. Fair labor conditions
- C. Environment, health, safety and quality management
- D. Business ethics
- E. Safe business operation

During the Reporting Period, 100% suppliers signed the *Fosun Tourism Group Supplier Code of Conduct*.



#### Supplementary information

ESG Policy of Fosun Tourism Group for Supply Chain Management  
 Fosun Tourism Group Supplier ESG Rating Scale  
 Fosun Tourism Group Supplier Code of Conduct

## Supply Chain ESG Management

During the Reporting Period, we further strengthened our supply chain ESG management. By formulating the *ESG Policy of Fosun Tourism Group for Supply Chain Management* and the *Fosun Tourism Group Supplier ESG Rating Scale*, we broaden the current supply chain strategy by introducing ESG considerations, in an effort to improve the supplier management of Fosun Tourism Group. For supply chain management of Fosun Tourism Group, ESG indicators were added as part of key indicators, which guide supply chain management practices to respect and implement environmental and social responsibilities and a better governance.

### Admittance of suppliers

As stipulated in the *ESG Policy of Fosun Tourism Group for Supply Chain Management*, the Group will not cooperate with any supplier or service provider involved in major environmental accidents, infringement of employees' rights and interests, or corruption within three years. In the selection of suppliers, those with environmental certification and good social responsibility performance are preferred to provide products and services.

### Risk identification, management and control of supply chains

Subsidiaries of the Group are required to identify existing or potential ongoing risks (food safety risks, work safety risks, building structure risks, etc.) that fit their own business characteristics. They should also develop corresponding risk control measures or implementation procedures in detail and carry out key evaluation, management and control over key suppliers or service providers or those with ongoing high risk, so as to effectively avoid or reduce supply chain risks.

### Screening of key suppliers or service providers

Subsidiaries of the Group are required to select suppliers or service providers, consolidate the *List of Key Suppliers or Service Providers* and manage them accordingly by grades. For definitions of key suppliers, please refer to our public policy, namely the *ESG Policy of Fosun Tourism Group for Supply Chain Management*.

### Supplier ESG assessment

During the Reporting Period, the Group formulated the *Fosun Tourism Group Supplier ESG Rating Scale*. Through supplier self-assessment and on-site audit, all existing and future suppliers or service providers will be comprehensively assessed on ESG performance. The form assesses the ESG risks and management level of suppliers from six aspects: human rights, labor conditions and child labor, health and safety, business ethics, green and environment-friendly, animal protection. Based on the assessment results, we made a comprehensive analysis of ESG risk exposure and management level of suppliers, and put forward corrective action plans for suppliers with high risks, to ensure they meet our ESG standards; for those who are still unqualified after rectification, the continued cooperation will be restricted.

During the Reporting Period, the Group's cost procurement department conducted pilot ESG assessment on operational suppliers in China. The assessment and audit results are shown in the table below. In the future, we plan to involve 100% of suppliers in the ESG assessment, and further increase the proportion of supplier on-site audits.

Total number of operational suppliers	Suppliers subject to ESG management	Suppliers subject to self-assessment	Suppliers subject to ESG on-site audit	Coverage ratio of assessment
201	165	165	30	82%

### ■ Optimize occupational health and safety management of supply chain

The Group continuously optimizes occupational health and safety management of supply chain, taking occupational health and safety into account during performance evaluation of suppliers and contractors. We also provide various training plans, covering fire safety, emergency handling, construction site safety, chemicals management, etc. to enhance the occupational health and safety knowledge and skills of on-site contractor workers.

### ■ Optimize food safety management of supply chain

In order to reduce food safety issues in the supply chain, the Group conducts regular performance evaluations and audits on food suppliers. Atlantis Sanya has formulated strict annual audit policies for food suppliers. It strictly manages and controls food quality and safety of food suppliers through routine qualification review and on-site audit. In 2021, Atlantis Sanya performed food safety audits on all 71 existing food suppliers, with a coverage rate of 100%. Unqualified suppliers identified during reviews have all taken rectification measures, or relevant cooperation has been discontinued. In 2019, Club Med drew up a risk map of suppliers in high-risk food categories (e.g. fresh meat, fish and frozen products) and, based on this risk map, requested the suppliers concerned to conduct annual self-assessments and, if necessary, on-site audits.




## Supplier Integrity Management


We are committed to fostering a culture of integrity and honesty in our operations and conduct regular integrity compliance training for all suppliers to enhance their awareness of integrity. As of the end of the Reporting Period, all of our active suppliers have signed the *Integrity Agreement*.

We require suppliers to avoid any form of corruption, extortion and bribery and to disclose to the Group any possible conflicts of interest as a co-supplier. We review supplier business ethics throughout the contract period, and conduct regular assessment on suppliers. Provided that suppliers are unqualified after evaluation, they shall bring out improvement measures within five working days for the record. Suppliers who are assessed as unqualified in two consecutive years will be forbidden to bid in the projects of the Group. During the Reporting Period, there were no incidents of termination or non-renewal of contracts with business partners due to corruption-related irregularities.


We actively arranged anti-corruption trainings and awareness sessions on various occasions, such as supplier exchange meetings and supplier visits. We provide our suppliers with clear channels for complaints and grievances to ensure that our code of conduct is enforced and monitored, and we are committed to working with our suppliers to build a clean supply chain. During the Reporting Period, we customized the *Anti-Corruption Interaction and Integrity Building - Integrity Education Course for Suppliers* which was given to each of our subsidiaries to send to all suppliers for learning. During the Reporting Period, the Group provided anti-corruption trainings to domestic suppliers and contractors, with an average of 0.5 training hour per person.

### Fosun Tourism supplier management complaint channel

 **Tel**  
+86 21 23150143

 **E-mail**  
wangwq@fosunholiday.com

### Fosun Tourism risk control and integrity whistle-blowing channel

 **Tel**  
+86 21 23156857

 **E-mail**  
foliday\_compliance@fosunholiday.com

## Conveying Sustainable Concepts

### ■ Responsible procurement

We promote the development of sustainable products and services, combining social, economic and environmental factors, to offer consumers more responsible consumption choices.

Club Med has released a series of written purchasing Charters, including *Wood Charter and Seafood Charter*, committing that certified purchases are prioritized, such as certified cleaning products, use of "green" energy, FSC (Forest Stewardship Council) or PEFC (Programme for the Endorsement of Forest Certification) certified paper, vegetable-based inks, etc.

Club Med launched the "Bye-Bye Plastics" program in 2018. By the end of the Reporting Period, the program eliminated almost all single-use plastic products (straws, dishware, amenities in the rooms, etc.) from bars, restaurants and rooms in all Club Med resorts. Reusable and plastic-free alternatives are preferred thereafter. For the specific achievement of the program, please refer to the *Waste Management* section of this Report.

In 2021, **81%** of the products in Club Med's purchasing filiere are labelled as complying with an environmental or social standard (2020: **63%**).



### ■ Local procurement

The Group pursues the policy of prioritising local sourcing. We believe that increasing the proportion of local sourcing will not only reduce transportation costs, improve supply efficiency and reduce carbon emissions, but also contribute to the environmental, social and sustainable development of the local community.

Club Med is committed to building relationships with local suppliers and to cooperating as much as more. During the Reporting Period, the vast majority of goods and materials purchased by resorts across the region were sourced from local suppliers in the countries in which they operate; 85% of the Business Volume, the production origin of food purchases (fruit, vegetables, meat and seafood) could be traced back to their origin; 41% of these are locally sourced (2019: 35%; 2018: 13%) (except China, USA, Brazil, Mexico).

Prioritizing local procurement, Atlantis Sanya selects suitable local suppliers while considering cost control and the effectiveness of supplier management. During the Reporting period, Atlantis Sanya's local suppliers and the local procurement amount in Hainan Province accounted for 42.6% and 54.4% respectively.



## Cooperation for Win-win Results

We are committed to continuously improving the overall capabilities of suppliers through business exchanges and mutual assistance, and to enhancing the quality and efficiency of our suppliers' products and services through multi-parties interactions.

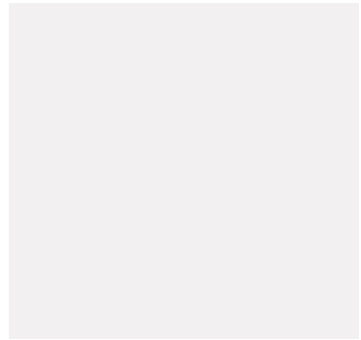
We have established communication channels with our suppliers. All suppliers can provide suggestions and communicate with us through the customer service center on the online bidding platform. We have also strengthened cooperation with suppliers through regular communication, visits, cultural exchanges, to learn from each other and make progress together.

### Atlantis Sanya Supplier Conference

To continuously empower the coordination capacity of supply chains, 2021 Fosun Tourism Supplier Conference was held in Atlantis Sanya during the Reporting Period. With the theme of "Win-win & Multiplier Growth", a total of 123 Fosun Tourism suppliers of food, services, beverage, and goods attended the conference, on which, we reviewed and updated the hotel supplier management system, highlighted the requirements of food hygiene and safety for Fosun Tourism's HACCP, and specified the EHS requirements for non-food suppliers. Quality suppliers also shared their cooperation experience and future prospects.







# 07

## Give Back to Society

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## Give Back to Society

Fosun Tourism is committed to sharing the benefits with communities. We engaged in public welfare activities that promote environmental protection, health, education, culture and community building in various countries/regions where we established our presence. We have endeavoured to become a leader instead of a practitioner in delivering public benefits and do our best to help more people to enjoy happy lives through global philanthropic programs on the road to social progress.

The Group has made commitments at the pillar level of "Give Back to Society", and pushed forward the fulfilment of these commitments through various public welfare and charity events. We are also considering setting relevant quantitative management targets to assess and review our progress in a more precise way.



### Pillar of sustainable strategy

Give Back to Society



### Our commitments by 2030

- Continuously improve local employment and procurement
- Promote local cultural communication



### Progress made in 2021

Continue to engage in public welfare activities concerning health and poverty alleviation, care for children, education programs, and cultural preservation, etc. The accumulated resources invested in public welfare are about RMB 3.16 million and the accumulated time invested exceeds 1,100 hours

## Public Charity

Since the establishment, the Group has been committed to giving back to communities and actively participating in public welfare activities. We insist on contributing to the development of public welfare by leveraging corporate resources to deliver joy and happiness to the world through volunteerism, health and medical assistance programmes for poverty alleviation, education programmes and other charitable activities.

During the Reporting Period, the Group made contributions in the following public welfare undertakings:

Philanthropy investment	2021
Cumulative time commitment (hours)	1,126
Cumulative resources invested (RMB)	3,162,534
Including: Cash donation (RMB)	2,875,742
Including: Goods donation (RMB)	286,792



## Community Contributions

We are committed to promoting social harmony through our products and services, contributing to the well-being of families and the development of common prosperity. In 2021, we will continue to work under the concept of "common prosperity" and continue to help upgrade the cultural tourism industry, empower local communities and drive livelihoods and economic development through projects while taking into account social and cultural situation of the local community.

### ■ Rural revitalization

With the FOLIDAY Town project, we helped local residents to change their crop varieties based on the original resources in villages, increasing farmers' income and contributing to rural revitalization.

Relying on the "Baisha Fosun Mode" of Lijiang FOLIDAY Town (please refer to [Integration of Culture and Tourism](#) section in this report for details), we continue to help villagers increase their output and income by:

- actively organizing local farmers in establishing agricultural cooperatives, and providing the latest planting techniques;
- working with local agricultural universities on researches to optimize the quality and yield of crops (e.g., purple potato and sweet corn);
- making crops purchase agreements with agricultural cooperatives to encourage farmers;
- setting up secondary processing food factories for non-staple food, such as Lijiang colored potato chips, fries, purple potato pie, and corn juice, to create a Lijiang food brand on the market.



Corn plantation



Colored potato chips



Purple potato pie

During the Reporting Period, we launched a new brand "Lizishi" in Lijiang, aiming to promote the local specialities upon the reopening of FOLIDAY Town, covering matsutake and fruits of Yunnan, as well as Naxhi culture products. We promoted the new brand via Thomas Cook, a life-style platform, to the whole country, and made our own contribution for rural revitalization.



Lizishi - High-end souvenir brand of selected local specialities

## ■ Community building

As part of our globalization, we are actively promoting the localization of our employees in different regions, making full use of the Group's global resources to help solve local employment problems. The localization of our employees allows us to better integrate into the distinctive cultures of different regions and provides a good help in understanding the needs and habits of consumers. Before the Covid-19 health crisis, 75% of such positions were awarded to local GO® and GE. Due to Covid-19 health crisis, Club Med was unable to collect the data during the Reporting Period.

Since 2008, Club Med has partnered with the NGO Agrisud to enable local producers to supply Club Med villages, and to guide them towards more sustainable land use, based on the principles of agro-ecology. In 2021, Club Med has supported 281 very small businesses, and more than 1,500 beneficiaries in six countries. Nearly 200 hectares of land was used for agroecology with an average of 21 varieties grown per programme supported. By the end of 2021, the partnership between Club Med and Agrisud is now in place in 6 countries and 8 villages, including Cap Skirring (Senegal), Marrakech (Morocco), Rio das Pedras and Lake Paradise (Brazil), Bali (Indonesia), Guilin (China), La Pointe aux Canonnières and Albion (Mauritius). Club Med has provided a cumulative financial contribution of €1,243,000 to grow 6,037 tons of crops in agroecology, with more than 302 tons of agricultural products having been delivered to Club Med resorts.



## ■ Responses to disasters

Faced with major natural disasters and public health incidents that threaten communities, Fosun Tourism actively undertook its corporate responsibility, supporting the community to respond to disasters.

### Support for Pandemic Prevention and Control

During the Reporting Period, in response to the sudden outbreak of COVID-19 in Lijiang, the Lijiang FOLIDAY Town project company of Fosun Tourism acted up rapidly by donating 2,400 pieces of protective clothing and 4,500 masks to support the city's fight.

Atlantis Sanya and Fosun Foundation donated 1,400 pieces of medical protective clothing, 3,800 pieces of waterproof protective clothing and 6,800 N95 masks to Sanya City, contributing to the achievement of efficient pandemic prevention and control.

### Support for the Henan Floods

In July 2021, Henan Province was hit by rare rainstorms. Responding to the call of Fosun Foundation, Fosun Tourism, together with other enterprises within the Group, donated RMB 50 million worth of funds and supplies to flood-stricken areas to support local relief efforts and ensure the safety of people's lives and property.

### Club Med's Disaster Support

During the Reporting Period, the Club Med APAC Foundation actively mobilised Club Med's teams and resources to support enhance the communities' resilience facing natural or medical disasters in the Asia Pacific region.

- 300 kg of rice and 800 instant noodles were donated to local residents affected by floods and landslides in Bintan Island, Indonesia.

- Donation of emergency masks and protective equipment to communities (residents, schools, hospitals, police stations, vaccination centres, military) around resorts in different countries in Asia Pacific to support the fight against the epidemic.



## Promoting Health

Amid the rapid development, Fosun Tourism is also committed to promoting the social health undertakings.

During "99 Giving Day", Fosun Tourism, together with Fosun Foundation and Shanghai United Foundation, teamed up as FOLIDAY team to raise funds for "Rural School Clinics Assistance Program" and "Taijiquan Assisted Treatment for Parkinson's Disease".



Club Med has officially entered into a partnership with Fosun Foundation to announce the establishment of a training site for rural doctors at Club Med Lijiang Resort in Yunnan Province, where doctors from tertiary hospitals will be regularly invited to provide professional training to young people who wish to become rural doctors and volunteers at this site.

### First FOLIDAY Travel Ambassador at the China International Import Expo

On 6 November 2021, several special guests – rural doctors from all across China – were invited to the FOLIDAY booth at the 4th China International Import Expo (CIIE). For their first time coming to this international fair, they had an immersive travel experience through the FOLIDAY magic door. As the first FOLIDAY Travel Ambassador, Zhong Liping, a Generation Z rural doctor from Lancang Lahu Autonomous County in Pu'er, Yunnan province, guested at the live streaming of Thomas Cook to share her experience as a rural doctor. Also at the livestreaming, she and representatives from Fosun Tourism and Fosun Foundation, announced the establishment of a Yunnan Rural Doctors training centre in Club Med Lijiang Resort.



## Caring for Children

It is our commitment to support and protect children's rights. To achieve this, we launched strategic social investment programs for children. With our influence, we want to prevent potential negative impacts on children's rights arising from operations and services, and stay committed to creating an environment in our operations that promotes children's rights to health, education and leisure.

The Club Med Foundation was established in 1978. Since its establishment, the Foundation has been mobilising Club Med's teams and resources to carry out charity work around its resorts and offices, committing to helping and supporting the communities around its resorts and offices.



### Supplementary information

For more information about Club Med Foundation, please visit Club Med Foundation's website: <https://www.amisfondationclubmed.com/en>.

Club Med is committed to fighting against sexual exploitation of children in tourism. The actions defined in the partnership agreement signed with ECPAT in 2005 have been regularly renewed since then, with the continued distribution of the joint Club Med – ECPAT leaflet that ties in with the NGO's communication campaign. These leaflets are sent to the homes of French, Belgian and Swiss customers heading to sensitive countries. During the Reporting Period, more than 21,600 leaflets were sent to French, Belgian and Swiss customers, bringing the total number sent since 2005 to more than 970,000. In addition, in 2021 the flyer has been updated and is now available in 17 languages, which will allow it to be sent to all our customer markets from 2022. Also, a procedure for Reception staff on high-risk destinations to ensure identification of underage guests was put in place and is since then upgraded regularly.



### Supplementary information

ECPAT is an international non-profit organization, with presence in more than 70 countries around the world. It aims to cut down child prostitution, child pornography and the trafficking of children for sexual purpose. Many tourism professional bodies work with ECPAT to protect children from sexual exploitation in tourism industry.



In addition, in order to give as many children as possible an experience with meaningful, challenging, educational and entertaining time, children are regularly invited to visit the resorts to make full use of the resort facilities and play sports with a GO® or local education professional.

### Atlantis Sanya Caring for Children Activity

During the Reporting Period, Atlantis Sanya, Sanya Relief Shelters and Sanya Health Protection Center in Hainan Province jointly launched a charity event for children in distress. On 11 July 2021, we invited two children in distress, the first fully funded by the government in Sanya, to the Lost Chambers Aquarium in Atlantis Sanya for visits.



On 17 June 2021, as the winner of the Leading Edge Award issued by the World Waterpark Association and its important member, Waterpark in Atlantis Sanya, together with The World's Largest Swimming Lesson (first held in Hainan Province) co-organized the "Global Children Drowning Prevention Public Welfare Campaign" to help more people know the importance of swimming education in preventing children from drowning. More than 200 teachers and students from Haitang Bay Tengqiao Kindergarten and Haitang District Second Kindergarten participated in the activity.



## Education Plan

Education takes precedence in rural revitalization. With a positive sense of social responsibility, Fosun Tourism is willing to play its own part in promoting accessible and fair education, bringing love and sunshine to more children in need, and letting knowledge guide them to their dreams and a brighter future.

### Albion "Book Donation" Action

During the Reporting Period, Albion under Fosun Tourism invited its business partners to Baisha Town, Yulong Naxi Autonomous County in Lijiang, and hosted a book donation event named "A Corner to Warm You". It also reached a long-term cooperation agreement of charity book donations with the Education Bureau of Yulong County to provide extracurricular books for 94 primary schools and kindergartens.

In the future, we will organize more book donation events at different Albion sites and engage more guests to participate.





## Respect Local Culture

Culture is the soul of culture and tourism industry. Fosun Tourism cannot achieve so much without wonderful diverse culture. We have always put respect and understanding of local culture at the center of our projects, which means respecting the local ecology, cultural ecology and lifestyle, to engage in, integrate with and adapt to each other.

### Cultural Integration

In active response to the Belt & Road Initiative, we, by shouldering the responsibility of Chinese culture promotion, have attached great importance on the industrial investment opportunities in the tourism and recreation sector in countries along the Belt and Road including Italy, Portugal, Greece, Turkey, Thailand, Vietnam, Malaysia, Indonesia and other European and Southeast Asian countries/regions. We are devoted to facilitating the oriental culture to go abroad in a brand-new fashion by leveraging Holiday's existing platform. In the meantime, we will also provide domestic consumers with more opportunities to world premium travellers' destinations for in-person experience of local culture.

### Cultural Preservation

"Bring cultural heritage to life" is an essential part of giving cultural heritage's social and cultural value into full play. The integration of culture and tourism provides a perfectly feasible path for revitalizing cultural heritage of the new era.

As one of the leaders in the cultural tourism sector, the Group shoulders the mission of traditional culture conservation and communication. By focusing on landscape resorts, humanistic scenic spots, folk custom blocks, characteristic towns and other resources, we will actively tap into the cultural and historical value, protect and reasonably utilize the unique local ecosystem, and accelerate the industrial upgrading and transformation.



To deepen the spread of the fine local culture in locations with our operation, we have fully explored the internal aspects of local cultural development at the designing stage of projects. Meanwhile, we have also endeavored to integrate the traditional culture into our tourism and holiday products in an innovative manner to enhance the cultural value of them and benefit global citizens to share local cultural memories and stories.



#### Club Med Cultural Protection Measures

Club Med villages have always been steeped in local culture, as can be seen from their architecture, decoration, vegetation, cuisine and so on. The activity programmes offered also reflect local practices, frequently through lessons in dance, cooking and languages, as well as lectures on the host country. Almost all Villages also organise weekly evenings, full days or events dedicated to the culture of the host country or region.

Since 2008, the Discovery Centers at all African and European villages have displayed a Charter on respecting local hosts, their culture, environment and economy and distributed it to all GM®going on excursions. Charters at least in English and French are posted at the tour desk or at the reception. This Charter is also included in the travel itineraries sent to clients of Discovery Tours by Club Med. As part of ATR (Agir pour un Tourisme Responsable) certification for the Discovery Tours by Club Med, the Handbook for Guides was revised to provide even better training for our guides in terms of respect for cultures, people and environmental protection.

## Appendix

### ESG Reporting Guide

KPI	Description	Section(s)	Pages
A1	Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	Environmental Commitments and Management Policies	69
A1.1	The types of emissions and respective emissions data	Climate Change and Energy The wastewater and waste gas produced by the Group have no material impact on the environment, so data is not disclosed	79
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and, where appropriate, intensity	Climate Change and Energy	79
A1.3	Total hazardous waste produced and, where appropriate, intensity	Emission Management	98
A1.4	Total non-hazardous waste produced and, where appropriate, intensity	Emission Management	98
A1.5	Description of emissions target(s) set and steps taken to achieve them	Environmental Commitments and Management Policies Climate Change and Energy Emission Management	69 79 98
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Environmental Commitments and Management Policies Emission Management	69 98
A2	Use of Resource		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Climate Change and Energy Water Resource Utilization	79 93
A2.1	Direct and/or indirect energy consumption by type in total and intensity.	Climate Change and Energy	79
A2.2	Water consumption in total and intensity.	Water Resource Utilization	93
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them	Climate Change and Energy	79
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Water Resource Utilization	93
A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced.	Not related	/

KPI	Description	Section(s)	Pages
A3	The Environment and Natural Resources		
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	Environmental Commitments and Management Policies	69
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Biodiversity Protection	90
A4	Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change and Energy	79
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Change and Energy	79
B1	Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Diversity and Equality	108
B1.1	Total workforce by gender, employment type, age group and geographical region.	Building a Diversified Working Environment	109
B1.2	Employee turnover rate by gender, age group and geographical region.	Building a Diversified Working Environment	109
B2	Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Improving the Happiness Index	120
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Improving the Happiness Index	120
B2.2	Lost days due to work injury.	Improving the Happiness Index	120
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Improving the Happiness Index	120



KPI	Description	Section(s)	Pages
B3	Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Promoting Employees' Personal Growth	115
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Promoting Employees' Personal Growth	115
B3.2	The average training hours completed per employee by gender and employee category.	Promoting Employees' Personal Growth	115
B4	Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Building a Diversified Working Environment	109
B4.1	Description of measures to review employment practices to avoid child and forced labour.	Building a Diversified Working Environment	109
B4.2	Description of steps taken to eliminate such practices when discovered.	Building a Diversified Working Environment	109
B5	Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Responsible Procurement	131
B5.1	Number of suppliers by geographical region.	Supply Chain Management	130
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management	130
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	Responsible Procurement	131
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Responsible Procurement	131
B6	Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Responsible Operation	40
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not related	/
B6.2	Number of products and service related complaints received and how they are dealt with.	Quality Improvement	53
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Code of Conduct and Compliance	23
B6.4	Description of quality assurance process and recall procedures.	Quality Improvement	53
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Safety Protection	42

KPI	Description	Section(s)	Pages
B7	Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Code of Conduct and Compliance	23
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Code of Conduct and Compliance	23
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Code of Conduct and Compliance	23
B7.3	Description of anti-corruption training provided to directors and staff.	Code of Conduct and Compliance	23
B8	Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Give Back to Society	140
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Public Charity Respect Local Culture	142 151
B8.2	Resources contributed (e.g. money or time) to the focus area.	Public Charity Respect Local Culture	142 151

## GRI Standards Index

GRI Standards	Disclosure Title	Section(s)	Pages
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	102-2 Activities, brands, products, and services	Our Business	13
	102-3 Location of headquarters	Our Business	13
	102-4 Location of operations	Our Business	13
	102-5 Ownership and legal form	/	/
	102-6 Markets served	Our Business	13
	102-7 Scale of the organization	Our Business	13
	102-8 Information on employees and other workers	Diversity and Equality	108
	102-9 Supply chain	Coordinated Development	128
	102-10 Significant changes to the organization and its supply chain	No Significant Change	/
	102-11 Precautionary Principle or approach	Corporate Governance	19
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	102-13 Membership of associations	Our Business	13
Strategy	102-14 Statement from senior decision-maker	Chairman's Statement	05
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Ethics and integrity	102-16 Values, principles, standards, and norms of behavior	Code of Conduct and Compliance Responsible Procurement	23 131
	102-17 Mechanisms for advice and concerns about ethics	Code of Conduct and Compliance Responsible Procurement	23 131
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	102-24 Nominating and selecting the highest governance body	Corporate Governance	19
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	102-26 Role of highest governance body in setting purpose, values, and strategy	Corporate Governance	19
	102-27 Collective knowledge of highest governance body	Corporate Governance	19
	102-28 Evaluating the highest governance body's performance	Corporate Governance	19
	102-29 Identifying and managing economic, environmental, and social impacts	Materiality Assessment	36
	102-30 Effectiveness of risk management processes	Corporate Governance	19

GRI Standards	Disclosure Title	Section(s)	Pages	
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	102-32 Highest governance body's role in sustainability reporting	Sustainable Development Governance	32	
	102-33 Communicating critical concerns	Stakeholder Engagement Materiality Assessment	35 36	
	102-34 Nature and total number of critical concerns	Materiality Assessment	36	
	102-35 Remuneration policies	Corporate Governance Promoting Employees' Personal Growth	19 115	
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	Stakeholder engagement	102-40 List of stakeholder groups	Stakeholder Engagement	35
		102-41 Collective bargaining agreements	Improving the Happiness Index	120
		102-42 Identifying and selecting stakeholders	Stakeholder Engagement	35
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	102-47 List of material topics	Materiality Assessment	36	
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	201-2 Financial implications and other risks and opportunities due to climate change	Climate Change and Energy	79
	201-3 Defined benefit plan obligations and other retirement plans	Improving the Happiness Index	120
	201-4 Financial assistance received from government	/	/
GRI 202 Market Presence	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	/	/
	202-2 Proportion of senior management hired from the local community	/	/
GRI 203 Indirect Economic Impacts	203-1 Infrastructure investments and services supported	Responsible Cultural Tourism Public Charity	60 142
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GRI 204 Procurement Practices	204-1 Proportion of spending on local suppliers	Responsible Procurement	131
GRI 205 Anti-corruption	205-1 Operations assessed for risks related to corruption	Code of Conduct and Compliance	23
	205-2 Communication and training about anti-corruption policies and procedures	Code of Conduct and Compliance	23
	205-3 Confirmed incidents of corruption and actions taken	Code of Conduct and Compliance	23
GRI 206 Anti- competitive Behavior	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Not related	/
GRI 301 Materials	301-1 Materials used by weight or volume	Not Applicable	/
	301-2 Recycled input materials used	Not Applicable	/
	301-3 Reclaimed products and their packaging materials	The Group does not involved in the use of packaging materials	/
GRI 302 Energy	302-1 Energy consumption within the organization	Climate Change and Energy	79
	302-2 Energy consumption outside of the organization	Climate Change and Energy	79
	302-3 Energy intensity	Climate Change and Energy	79
	302-4 Reduction of energy consumption	Climate Change and Energy	79
	302-5 Reductions in energy requirements of products and services	Climate Change and Energy	79
GRI 303 Water and Effluents	303-1 Interactions with water as a shared resource	Water Resource Utilization	93
	303-2 Management of water discharge-related impacts	Emission Management	98
	303-3 Water withdrawal	Water Resource Utilization	93
	303-4 Water discharge	Emission Management	98
	303-5 Water consumption	Water Resource Utilization	93
GRI 304 Biodiversity	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Biodiversity Protection	90
	304-2 Significant impacts of activities, products, and services on biodiversity	No significant impact	/
	304-3 Habitats protected or restored	Biodiversity Protection	90
	304-4 IUCN Red List species and national conservation list Species with habitats in areas affected by operations	Not related	/

GRI Standards	Disclosure Title	Section(s)	Pages
GRI 305 Emissions	305-1 Direct (Scope 1) GHG emissions	Climate Change and Energy	79
	305-2 Energy indirect (Scope 2) GHG emissions	Climate Change and Energy	79
	305-3 Other indirect (Scope 3) GHG emissions	Climate Change and Energy	79
	305-4 GHG emissions intensity	Climate Change and Energy	79
	305-5 Reduction of GHG emissions	Climate Change and Energy	79
	305-6 Emissions of ozone-depleting substances (ODS)	Not Applicable	/
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Not Applicable	/
GRI 306 Waste	306-1 Waste generation and significant waste-related impacts	Emission Management	98
	306-2 Management of significant waste-related impacts	Emission Management	98
	306-3 Waste generated	Emission Management	98
	306-4 Waste diverted from disposal	Emission Management	98
	306-5 Waste directed to disposal	Emission Management	98
GRI 307 Environmental Compliance	307-1 Non-compliance with environmental laws and regulations	No related events occurred	/
GRI 308 Supplier Environmental Assessment	308-1 New suppliers that were screened using environmental criteria	Responsible Procurement	131
	308-2 Negative environmental impacts in the supply chain and actions taken	Responsible Procurement	131
GRI 401 Employment	401-1 New employee hires and employee turnover	Building a Diversified Working Environment	109
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Improving the Happiness Index	120
	401-3 Parental leave	Building a Diversified Working Environment	109
GRI 402 Labor/ Management Relations	402-1 Minimum notice periods regarding operational changes	Strictly abide by relevant national / regional laws and regulations	/
GRI 403 Occupational Health and Safety	403-1 Occupational health and safety management system	Improving the Happiness Index	120
	403-2 Hazard identification, risk assessment, and incident investigation	Improving the Happiness Index	120
	403-3 Occupational health services	Improving the Happiness Index	120
	403-4 Worker participation, consultation, and communication on occupational health and safety	Improving the Happiness Index	120
	403-5 Worker training on occupational health and safety	Improving the Happiness Index	120
	403-6 Promotion of worker health	Improving the Happiness Index	120
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Improving the Happiness Index	120
	403-8 Workers covered by an occupational health and safety management system	Improving the Happiness Index	120
	403-9 Work-related injuries	Improving the Happiness Index	120
	403-10 Work-related ill health	Improving the Happiness Index	120

GRI Standards	Disclosure Title	Section(s)	Pages
GRI 404 Training and Education	404-1 Average hours of training per year per employee	Promoting Employees' Personal Growth	115
	404-2 Programs for upgrading employee skills and transition assistance programs	Promoting Employees' Personal Growth	115
	404-3 Percentage of employees receiving regular performance and career development reviews	Promoting Employees' Personal Growth	115
GRI 405 Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	Sustainable Development Governance Building a Diversified Working Environment	32 109
	405-2 Ratio of basic salary and remuneration of women to men	/	/
GRI 406 Non- discrimination	406-1 Incidents of discrimination and corrective actions taken	Building a Diversified Working Environment	109
GRI 407 Freedom of Association and Collective Bargaining	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Building a Diversified Working Environment	109
		Responsible Procurement	131
GRI 408 Child Labor	408-1 Operations and suppliers at significant risk for incidents of child labor	Building a Diversified Working Environment	109
		Responsible Procurement	131
GRI 409 Forced or Compulsory Labor	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Building a Diversified Working Environment	109
		Responsible Procurement	131
GRI 410 Security Practices	410-1 Security personnel trained in human rights policies or procedures	/	/
GRI 411 Rights of Indigenous Peoples	411-1 Incidents of violations involving rights of indigenous peoples	No related events occurred	/
GRI 412 Human Rights Assessment	412-1 Operations that have been subject to human rights reviews or impact assessments	Building a Diversified Working Environment	109
	412-2 Employee training on human rights policies or procedures	Building a Diversified Working Environment	109
	412-3 Significant investment agreements and contracts that	Building a Diversified Working Environment Responsible Procurement	109 131
GRI 413 Local Communities	413-1 Operations with local community engagement, impact assessments, and development programs	Public Charity	142
	413-2 Operations with significant actual and potential negative impacts on local communities	Biodiversity Protection	90
GRI 414 Supplier Social Assessment	414-1 New suppliers that were screened using social criteria	Responsible Procurement	131
	414-2 Negative social impacts in the supply chain and actions taken	Responsible Procurement	131
GRI 415 Public Policy	415-1 Political contributions	No related contributions	/
GRI 416 Customer Health and Safety	416-1 Assessment of the health and safety impacts of product and service categories	Safety Protection	42
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	No related events occurred	/
GRI 417 Marketing and Labeling	417-1 Requirements for product and service information and labeling	Responsible Cultural Tourism	60
	417-2 Incidents of non-compliance concerning product and service information and labeling	No related events occurred	/
	417-3 Incidents of non-compliance concerning marketing communications	No related events occurred	/
GRI 418 Customer Privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	No related events occurred	/
GRI 419 Socioeconomic Compliance	419-1 Non-compliance with laws and regulations in the social and economic area	No violation of relevant laws and regulations	/

## Glossary

ABBREVIATIONS	FULL NAMES
Aquarium	The Lost Chambers Aquarium in Atlantis Sanya
Atlantis Sanya	The tourism destination established by the Group on the Haitang Bay National Coast of Sanya, Hainan province, PRC
Audit Committee	Audit committee of the Board
Bed Capacity	Bed capacity for the number of beds available during the operational period of the hotel (without regard of the actual number of rooms occupied)
Board	Board of Director of the Company
Casa Cook	A boutique hotel brand that received a series of awards under Thomas Cook, focusing on design aesthetics, high-quality dining and providing its customers with comfortable and happy experience
China or PRC	The People's Republic of China, but for the purposes of the Report and for geographical reference only, unless the context otherwise requires, excluding Hong Kong, the Macau and Taiwan
Club Med	A global leisure and tourism resort of the Group featuring the idea of all-inclusive creative holidays
Club Med Joyview	One of Club Med resort brands that provides weekend holidays and MICE services to Chinese markets to meet the growing demand for Chinese tourists
Company or Our Company	Fosun Tourism Group (formerly known as Fosun Tourism and Culture Group (Cayman) Company Limited), an exempted company with limited liability incorporated in the Cayman Islands on 30 September 2016
Cook's Club	A hotel brand under Thomas Cook, designed for a new generation of travellers who want fun, lively holidays in hotels that have modern and stylish design
Covid, Covid-19, epidemic, pandemic	Coronavirus disease (COVID-19) pandemic
Corporate Governance Code	<i>Corporate Governance Code</i> in Appendix 14 to the <i>Listing Rules of Hong Kong Stock Exchange</i>
Director(s)	The director(s) of the Company
EBITDA	Earnings before interest, tax, depreciation and amortization
EHSQ	Environment, Health, Safety and Quality
EHS	Environment, Health and Safety
ESG	Environmental, Social and Governance
ESG Committee	ESG Committee of the Board
ESG Reporting Guide	<i>Environmental, Social and Governance Reporting Guide</i> in Appendix 27 to the <i>Listing Rules of Hong Kong Stock Exchange</i>
ESG Report, our Report, the Report	Environmental, Social and Governance Report



ABBREVIATIONS	FULL NAMES
Foryou Club	Our member management system in China, the management and operation of the system is aimed to provide the members and customers registered under the FOLIDAY ecosystem with services and activities
Fosun Foundation	Established in November 2012, Fosun Foundation's business activities include: natural disaster relief; poverty alleviation and helping the physically challenged people; financial assistance offered for cultural and educational corporate social responsibility projects, to young entrepreneurs and for youth employment and other corporate social responsibility causes
FOLIDAY	The Group's global ecosystem, including its commercially interconnected businesses, provides a range of travel and leisure related services
FOLIDAY Town	The brand name of a large tourism destination of the Group
GE	A Gentil Employé is a Club Méditerranée employee, originating in the country where the village is located. Their job is in a fixed location and they have a status different from that of a GO*
GM*	Gentil Membre: Club Med customer
GO*	Gentil Organisateur: a Club Med employee in direct contact with customers. A Gentil Organisateur is above all a link creator within the village
GRI Standards	GRI Sustainability Reporting Standards issued by the Global Sustainability Standards Board (GSSB)
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
Listing	Listing of shares on the Main Board
Listing Rules	The Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, as amended or supplemented from time to time
Main Board	The stock market (excluding the option market) operated by the Hong Kong Stock Exchange, which is independent from and operated in parallel with GEM
Miniversity	The brand for learning and playing club for children
Nomination Committee	Nomination Committee of the Board
Reporting Period	1 January 2021 to 31 December 2021
Remuneration Committee	Remuneration Committee of the Board
Strategy Committee	Strategy Committee of the Board
Subsidiaries	Has the meaning ascribed thereto under section 15 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
The Group, Fosun Tourism Group, We (or us), or Fosun Tourism	Our Company and our subsidiaries at the relevant time or, where the context so requires, or if the context requires, in respect of the period before our Company became the holding company of our present subsidiaries, the business operated by such subsidiaries or their predecessors (as the case may be)
Thomas Cook	The main brand Thomas Cook as well as hotel brands Casa Cook and Cook's Club acquired from Thomas Cook Group plc by the Group in November 2019
Waterpark	The Aquaventure Waterpark in Atlantis Sanya

## Readers Feedback Form

Thank you for reading the Group's 2021 ESG Report. In order to provide more valuable information to the Group's stakeholders and improve its ability and level of fulfilling social responsibilities, the Group would welcome any feedback or suggestions you might have about the Report.

You can send this form to any of the following:

E-mail address: [oliday.esg@fosun.com](mailto:oliday.esg@fosun.com)

How would you rate the Group's 2021 ESG Report?

Extremely Satisfied Very Satisfied Satisfied Less Satisfied Not Satisfied

How would you rate the economic, social and environmental responsibilities of the Group?

Economic responsibility	<input type="checkbox"/> Extremely Satisfied <input type="checkbox"/> Very Satisfied <input type="checkbox"/> Satisfied <input type="checkbox"/> Less Satisfied <input type="checkbox"/> Not Satisfied
Social responsibility	<input type="checkbox"/> Extremely Satisfied <input type="checkbox"/> Very Satisfied <input type="checkbox"/> Satisfied <input type="checkbox"/> Less Satisfied <input type="checkbox"/> Not Satisfied
Environmental responsibility	<input type="checkbox"/> Extremely Satisfied <input type="checkbox"/> Very Satisfied <input type="checkbox"/> Satisfied <input type="checkbox"/> Less Satisfied <input type="checkbox"/> Not Satisfied

Please rate the effectiveness of the Report in reflecting the economic, social and environmental impact the Group has brought about through its social responsibility practices.

Excellent Good Fair Poor Terrible

How would you rate the clarity, accuracy and completeness of the information, data and indicators the Report has disclosed?

Clarity	<input type="checkbox"/> Extremely Satisfied <input type="checkbox"/> Very Satisfied <input type="checkbox"/> Satisfied <input type="checkbox"/> Less Satisfied <input type="checkbox"/> Not Satisfied
Accuracy	<input type="checkbox"/> Extremely Satisfied <input type="checkbox"/> Very Satisfied <input type="checkbox"/> Satisfied <input type="checkbox"/> Less Satisfied <input type="checkbox"/> Not Satisfied
Completeness	<input type="checkbox"/> Extremely Satisfied <input type="checkbox"/> Very Satisfied <input type="checkbox"/> Satisfied <input type="checkbox"/> Less Satisfied <input type="checkbox"/> Not Satisfied

Do you find the Report in easy-to-read contents and formatting?

Yes Neutral No

Feel free to share any comments or suggestions you may have on the Group's ESG work and the Report:

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**FOLIDAY 复星旅文**  
Everyday is FOLIDAY